Daily Report

Central Eurasia

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End to Concessions in Trade Sphere Warned

LD0912104094 Moscow ITAR-TASS World Service in Russian 0916 GMT 9 Dec 94

[By ITAR-TASS correspondents Andrey Shtorkh and Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 9 Dec—In 1995, Russia will be forced to introduce the principle of advance payment in trade and economic agreements and contracts for the supply of commodities. In order to resolve debt problems, financial penalties for failure to pay on time will become a mandatory condition of such agreements. This was announced today by Viktor Chernomyrdin, head of the Russian Government, when he addressed the meeting of the council of CIS heads of government at the President Hotel in Moscow.

We have gone as far as we can over payments for supplies and cannot make any further concessions, Chernomyrdin noted. This is the umpteenth time we have had to bring up the question of the debts owed to the Russian fuel and energy sector by the CIS countries. The Russian prime minister disclosed that on 1 November 1994 these debts amounted to 7.5 billion rubles [R], and almost R6.6 billion of the total is for gas. Gazprom, Chernomyrdin said, has been forced to raise the question of reducing gas supplies for countries that do not pay.

Chernomyrdin proposed that the Commonwealth give priority to resolving the problem of nonpayments. Let us agree, the Russian prime minister said, that any new questions that come up in 1995 will only receive joint examination if the problems of 1994, connected with debts and nonpayments, are resolved in a positive way.

Referring to credit and monetary relations between the independent states of the Commonwealth, Chernomyrdin said that since the establishment of the CIS, the Russian Government had granted state credits to these countries worth the equivalent of $5.6 billion, in order to make it easier for the partners to adjust to the new conditions of economic cooperation.

However, Chernomyrdin went on, we now have to acknowledge that these credits have not only not resolved the problem of nonpayments, but have also exacerbated the debt situation. The settlement of these debts is proceeding extremely unsatisfactorily. We have to bring about a qualitative change to our relationship and put into practice the principle of mutual benefit and the idea that our relations with CIS countries take priority over those with other countries.

Objectives of Interstate Economic Committee Viewed

LD0912103294 Moscow ITAR-TASS in English 1013 GMT 9 Dec 94

[By ITAR-TASS correspondents Andrey Storch and Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow December 9 TASS—Friday [9 December] started a regular meeting of the CIS council of heads of state in Moscow. The main objective of the CIS Interstate Economic Committee (IEC) is to make the CIS' plans and agreements practical, Russian Prime Minister Viktor Chernomyrdin said in an opening address.

The IEC should avoid becoming another speechifying organ thrusting away practical challenges it is expected to handle, Chernomyrdin stressed. There is no point in debating on whether national sovereignty is dented by the IEC, an authority with certain executive functions, the prime minister said.

Chernomyrdin said the IEC is expected to be joined by CIS states which want solutions to issues rather than mere discussions. And this requires the IEC to become a think-tank and an executive centre of the CIS.

"We have founded the organisation from which we expect much. And its range of responsibilities is quite broad: From rapid management of specific painful problems, such as energy supplies and compliance with agreements, to strategic integration problems," Chernomyrdin continued.

The prime minister said CIS members expected the IEC to have just these roles when they proposed both coordinating and executive functions for the committee. It is obvious that rights should be jointly delegated to the IEC to provide for its efficient work, Chernomyrdin said.

Executive Secretary Says CIS Summit May Be Postponed

LD0812224294 Moscow ITAR-TASS in English 2004 GMT 8 Dec 94

[By BELINFORM correspondent Vladimir Glod for TASS]

[FBIS Transcribed Text] Minsk December 8 TASS—"The closer is December 23, the date of a regular CIS summit to be held in Alma-Ata [Almaty], the more I believe it will be postponed", CIS Executive Secretary Ivan Korotechnya told the BELINFORM news agency on Thursday [8 December].

According to the secretary, this issue was raised at the CSCE summit in Budapest during his personal meetings with presidents of some of the CIS member-countries.

Korotechnya stressed the need for other bodies to step up their activities, first of all the Council of Heads of Government, the Presidium of the Inter-State Economic Committee, Councils of Foreign and Defence Ministers.

"They should shoulder more responsibilities. As for CIS summits, they should focus on the most important issues that can be solved at the level of the top leaders solely", the executive secretary noted.

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Korotechnya said the items on the preliminary agenda of the next CIS summit do not call for a meeting on December 23 exactly. "I believe the summit will be postponed until January, or perhaps even February", Korotechnya said in conclusion.

CIS Council of Heads of Government Sitting Begins

LD0912092794 Moscow Mayak Radio Network in Russian 0730 GMT 9 Dec 94

[FBIS Translated Text] Today a sitting of the council of heads of government of the CIS countries is taking place in Moscow. Our observer Yuliy Semenov has the story by telephone from the President Hotel.

[Semenov] Hello, the sitting of the council of heads of government started at the President Hotel roughly half an hour ago. Since Russia is chairing it this year, correspondingly, head of the Russian Government Viktor Chernomyrdin is conducting the sitting.

I would note two special features of today's meeting. First, it is in anticipation of the meeting or sitting of heads of state that is scheduled to take place closer to the end of December in Almaty. Naturally it is in the nature of groundwork for that sitting. Second, a whole series of issues are being examined. Moreover, the work itself that has been started, I would say, is of a definite working nature. There have not been any declarations, any statements broadly laying down the law, but practical matters.

Three packages of documents, or issues are being examined. These are issues relating to the formation of a single customs expanse with prospects for forming a union. What is important here first and foremost is the draft fundamentals of customs legislation for the Commonwealth countries, so that all those who take part in the economic union act according to a single set of rules. The second package of documents is connected with social problems. These are first and foremost documents in the field of labor protection and the setting up of an interstate fund for aid to refugees and those who have been forced to resettle. There is also a draft agreement on establishing additional concessions and material aid for war veterans in connection with the 50th anniversary of the victory. Finally, what is quite an important problem is the institution or the setting up of a corps of rapid reaction forces to deal with accidents and natural disasters, which alas do still happen. Evidently, here a method for forming these forces will be worked out and methods for their rapid action and assistance to one another.

There are also a number of other practical issues. I think we will agree on things in this manner. The work of the sitting is due to end roughly around lunchtime. Then there will be a news conference, so we will already be able to tell listeners in detail about this sitting at the beginning of the daytime panorama.

Yuliy Semenov from the President Hotel.

Agenda Outlined

MM0812122994 Moscow SELSKAYA ZHIZN in Russian 8 Dec 94 p 5

[Unattributed report: "They Will Examine a Package of Documents"]

[FBIS Translated Text] A regular session of the Council of Heads of Government of the CIS countries will be held in Moscow 9 December under the chairmanship of Viktor Chernomyrdin. An official spokesman for the Russian Federation Foreign Ministry has announced this.

According to him, a large block of documents will be submitted for the meeting participants' examination: draft Fundamentals of the CIS States' Customs Legislation and Unified Customs Statistics Methodology, a draft multilateral agreement on commodity turnover and production collaboration in the sphere of machine building, and proposals for cooperation in the sphere of labor safety procedures.

The heads of government will also discuss questions of setting up an interstate aid fund for refugees and displaced persons.

Moldova Restoring Economic Ties With Eastern Neighbors

MM0812133794 Moscow ROSSIYSKAYA GAZETA in Russian 7 Dec 94 First Edition p 6

[Report by Lyudmila Feliksova: "Hope in the East. It took Three Changes of Government in the Republic To Start Restoring Ties Within CIS"]

[FBIS Translated Text] Kishinev [Chisinau]—Moldavia [Moldova] intends to set up a joint venture with Russia to service the main gas pipeline along which "Rosgaz" exports gas to Romania, Bulgaria, and Turkey. An agreement in principle already exists.

Some 20 billion cubic meters of gas flows through the pipeline every year, and this figure is forecast to double in the next five years. Russia, which pays Moldavia for transit, has a vital interest in the normal functioning of the main gas pipeline. Moldavia, which is hoping for a reduction in the price of the gas supplied to it if the project goes ahead, has an even greater interest in the joint venture. A single cubic meter of gas currently costs it $80, whereas the preferential rate (according to preliminary estimates) will be $60, which will bring with it a raft of desirable economic changes—above all, lower prices for power and heating.

Traditional economic ties in Moldavia were noisily broken off to the accompaniment of unruly rallies and exultant declarations of national liberation: "Now we'll start living! We'll be feeding ourselves!" But rallies cannot direct the economy. It has its own laws. Moldavia needed three changes of government before it grasped this truth. The new Cabinet of Ministers finds itself at

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the helm of economic reform in the midst of a very severe crisis engendered—experts unanimously agree—by the breakdown of traditional ties and the loss of markets. "This kind of economic autarky," Moldavian President M. Snegur said at a session of the leaders of CIS countries' machine building ministries and departments, "is a mistake which has to be corrected."

Government offices are already bluntly stating that integration is the name of the game. This process has begun in the organizational and legal sphere, as well as in practice. The session of the machine building council, according to its participants, ended very successfully—very important agreements on cooperation among enterprises relating to investment, the creation of industrial and financial groups, and the organization of commodity exchange were adopted.

"For Moldavia the process of integration, particularly with its eastern neighbors, is vitally necessary," I was told by the government. "It gets 95 percent of its energy sources from Commonwealth countries—mainly Russia. No less important is the fact that 70 percent of Moldavian output is exported eastward as well. Consequently, the restoration of economic ties on a fundamentally new basis—taking account of market relationships—is inevitable."

The Republic is trying to move in that direction. Three joint economic commissions—Moldavian-Russian, Moldavian-Ukrainian, and Moldavian-Belorussian [Belarusian]—have been set up. They are designed to strengthen integration processes.

Moldavia is now clearly aware that it is more advantageous to restore its lost positions in the eastern market than to work its fingers to the bone to make a breakthrough into the Western market. Consequently, while striving to raise Western loans, the republic is looking eastward with hope.

Dollar-Equivalent Incomes in Former Western Republics Cited

MM0712160394 Moscow IZVESTIYA in Russian 7 Dec 94 p 1

[Unattributed report: "Who Earns What in the Former USSR"]

[FBIS Translated Text] According to Lithuanian statistics, the average resident of that republic earned $97 in October, roughly as much as the average American earns in a day. The situation in the other Baltic republics is slightly better: $108 in Estonia and $140 in Latvia. As for their eastern neighbors, they are even poorer: Ukrainians and Belorussians [Belarusians] earn $24 and $20 respectively. Meanwhile Russia outstripped Lithuania—its citizens make an average of $106 a month, IMA-PRESS reports from Vilnius.

Resolution to UN on Observers to Tajikistan Presented

LD0912093794 Moscow ITAR-TASS World Service in Russian 2222 GMT 8 Dec 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] UN, 9 Dec, (TASS)—Russia, together with Pakistan, has presented to the UN Security Council a draft resolution containing a proposal to appoint a mission of UN observers to Tajikistan to monitor the cease-fire.

The document welcomes the agreement reached between the Tajik Government and opposition during the course of the third round of inter-Tajik talks in Islamabad. It provides for an extension until 6 February 1995 of the terms of the 17 September agreement on a temporary cease-fire and a cessation of other hostilities on the Tajik-Afghan border and inside the country during the period of the talks.

The draft resolution expresses support for the UN secretary general's report 'The situation in Tajikistan' that was presented for examination by the Security Council. In this report, Butrus-Ghali asks the Security Council "to react positively to the request of the Tajik sides for assistance over the implementation of the cease-fire." In order to fulfill this task the UN secretary general recommended that a group of observers comprising 40 military experts, 18 international staff members, and 26 local civilians be appointed.

ITAR-TASS Carries Press Review for 8 Dec

LD0812181794 Moscow ITAR-TASS World Service in Russian 0130 GMT 8 Dec 94

["Press Review"—ITAR-TASS headline]

[FBIS Translated Text] Moscow, 8 Dec—(ITAR-TASS) Today's issue of ROSSIYSKAYA GAZETA leads with the Russian Federation Security Council's 7 December statement on the events in the Chechen Republic. It emphasizes that there is absolutely no conflict between Russia and Chechnya. All that is happening is a power struggle between illegal armed groupings. At the same time the newspaper's commentary stresses that "the greatly changed situation has reduced the room for maneuver to a minimum, both for politicians in Russia and for the opposition in Chechnya. Angered by expectations that more force will be used, a large section of the Chechen people are now in a determined mood. There is no need to tell anybody who knows Chechnya and the Chechens, and their character, what this means—especially now that there is growing Islamic fervor in Chechen society." "In the meantime," the article says, "there is only one way of ending the impasse in the northern Caucasus, through talks. This is also clearly understood at the presidential palace in Groznyy which, after a diplomatic pause, has given its consent to "equitable talks with Russia."

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Continuing the Chechen theme, IZVESTIYA writes: "Servicemen, who volunteered to get involved with the events in Groznyy and then fell victim to these events, find themselves being exploited in two ways. First they were used as nameless pawns in a war game. Now, they are being used even more actively as pawns—but this time pawns with names—in a political game in which every leader, faction, movement and so on aims to demonstrate noisily to the entire world their selfless humanism and concern for fellow-countrymen ... and for some reason nobody remembers that in fact nobody forced the soldiers to go to Chechnya or that they volunteered—for a quite specific sum of money—to embark on this dubious path."

In the view of TRUD, recent events in Chechnya "have clearly shown that a military solution of the problem is a hopeless gamble. All the signs are that such a path can produce nothing except more bloodshed and an easily predictable spreading of the conflict to other regions of Russia. There is only one way out—to reach agreement through talks."

"While the Security Council investigates, using dubious vocabulary in the process," PRAVDA notes, "the Chechen card is being actively played by politicians, Duma deputies and representatives of different factions. A delegation from 'Russia's Choice,' headed by [Sergey] Yushenkov, rushed down to Groznyy, bringing back with them two of the Russian citizens who got into trouble there. An LDPR [Liberal Democratic Party of Russia] delegation did exactly the same. Then the "Yabloko" faction decided to outdo all the rest—Grigoriy Yavlinskiy offered by telephone to exchange five State Duma deputies for the captive Russians ..."

In Chechnya, NEZAVISIMAYA GAZETA [NG] points out, they are not convinced that President Dudayev's meeting with Russian Defense Minister Pavel Grachev "is capable of overcoming the Russian leadership's predilection for a "strong-arm" resolution of the problem of the republic's interrelations with Russia...

That republic's citizens, as the NG correspondent understood from conversations with many of them, were left extremely dissatisfied with the meeting that has taken place...

Under force of "circumstance," President Dudayev went to this meeting, while not being fully prepared, it is believed in Groznyy. Against the background of Dudayev, Grachev looked like a person knowing far better than the Chechen president what he wants."

This same newspaper carries an interview with one of the leaders of the Chechen opposition Ruslan Khasbulatov, who states that "one of the reasons for the tragedy taking place (in Chechnya, ITAR-TASS note) is precisely a complete disregard by them (the federal authorities, ITAR-TASS note) for the realities—and precisely of the circumstance that the peacemaking group has been and remains the most representative and authoritative force in the Chechen republic. The peacekeepers have the support of the people who have risen against this (Dudayev, ITAR-TASS note) regime."

ROSSIYSKAYA GAZETA devoted attention to the "New Civil Code" (for the time being its first part has been adopted), describing this event as outstanding. Thus stable rules of economic activity are being established in Russia, without which any society cannot develop normally. The value of the new documents lies first of all in the fact that it removes numerous unnecessary and contradictory features which are characteristic of the legislation in force, including the completely obsolete 1964 RSFSR Civil Code. The new code was adopted by the State Duma on 21 October 1994 and was approved by the Federation Council.

The newspaper also focuses on the recent Budapest summit, recalling in its article 'Russia and NATO' that during the CSCE session the Russian president "had occasion to speak rather sharply on the question of NATO's rapid expansion through the countries of central and eastern Europe." Boris Yeltsin spoke about this on 6 December, replying to journalists' questions. Another article 'A Program for the Europe of the 21st Century' also takes up this subject, concluding that it was with Warsaw that the confrontation of the military blocs began, and with Budapest the history of the post-Soviet world.

NEZAVISIMAYA GAZETA believes that "in the near future Nagornyy Karabakh may become the first hot spot on the map of the former USSR where multiethnic armed forces will be deployed. This very circumstance shows that Moscow will have to come to terms with the presence of the troops of western countries in a zone of 'strategic interests.' In this event the Kremlin will be forced to review the 'Kozyrev doctrine' whereby Moscow reserved the exclusive right to 'impose order' in points of conflict of the commonwealth."

ITAR-TASS Carries Press Review for 9 Dec

LD0912065594 Moscow ITAR-TASS in English 0636 GMT 9 Dec 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow December 9 TASS—The situation in and around Chechnya is the principal topic in today's press.

IZVESTIYA points out that the brief talks between Pavel Grachev and Dzhokhar Dudayev "have given a glimmer of hope to those who do not want a war". The newspaper believes that a military solution to the Chechen problem would push father away a solution to all existing political problems rather than expediting it.

A military solution would also "bring about a lot of new ones which would be inherited by the next generation of Russian statesmen, just like Brezhnev left a legacy of the Afghan war to Gorbachev. It goes without saying that

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Boris Yeltsin, should this happen, would lose his last supporters from the democratic camp but would not acquire new ones in the camp of the national-radical opposition".

TRUD notes that a "third force"—the government appointed by the Chechen parliament in May 1993 and headed by Yaragiy Mamodayev—intends to declare itself actively in the Chechen conflict. This government functions in Moscow and has no real impact on the situation in Chechnya so far. However, calling itself the government of people's trust, it has no intention to recede to the background.

The newspaper writes that Mamodayev suggests that a congrees of the Chechen people, with the participation of representatives of all peoples inhabiting Chechnya and most prominent Chechens from all over the world, be convened soon, before the year is out.

"This congress must find ways leading out of the crisis, work out basic principles for Russo-Chechen talks and formulate the true interests of the Chechen people," the newspaper points out.

KRASNAYA ZVEZDA (Red Star) carries information connected with developments in Chechnya under the headline "there is no conflict between Chechnya and Russia. There is only a struggle for power".

NEZAVISIMAYA GAZETA runs an article by a philosopher Aleksandr Tsipko, timed for the third anniversary of the Belovezhskaya Pushcha agreement that brought into being the Commonwealth of Independent States.

Tsipko believes that "if Ukraine and Belarus want to retain the chance for democratic development", they should keep as far away as possible from present-day Moscow.

PRAVDA, in connection with the first anniversary of the adoption of a new Russian Constitution, conveys the opinion of Oleg Rumyantsev, former executive secretary of the Russian constitution commission, who believes that the new Constitution "has not become a universaly acceptable one or reflecting accord among various communities".

KOMSOMOLSKAYA PRAVDA carries an interview with new Russian Economics Minister Yevgeniy Yasin who expresses hope that inflation rate in December will be much lower than that in November. "We want to reach the five-percent mark in January," the minister said.

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Kozyrev Condemns West's 'Egotism' in Pressing for Decisions

LD0812191894 Moscow INTERFAX in English 1620 GMT 8 Dec 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Russia will not deviate from its democratic road and from its striving to establish partnership relations with the West, Foreign Minister Andrey Kozyrev said at Thursday's [8 December] conference with spokesmen for human rights organizations in Moscow.

At the same time, he said, "Russia cannot agree with the attempts to press on it decisions based on the West's own egotism." "Some Western politicians do not want to forgo their selfish and even cynical interests," Kozyrev said. "We always believed that democratic Russia will be a natural ally of Western democracies, as the former USSR was their natural enemy. Now however we are facing a situation we could hardly foresee earlier: old Western democracies display no desire to rush to help us."

To give an example of Western "egotism" Kozyrev referred to the NATO Council's decision to expand NATO with the countries of Central and Eastern Europe. "We do not view NATO as a hostile bloc, but Russia is not a member of it," Kozyrev said.

Russia has changed, but NATO remained the same, he pointed out. "It's noteworthy that NATO members are in no haste to transform their alliance. It's appropriate to ask: if the bloc is not against Russia, why is Russia beyond it?" said the head of Russian diplomacy.

West Accused of Ignoring Human Rights in Estonia

LD0812124594 Moscow ITAR-TASS World Service in Russian 1205 GMT 8 Dec 94

[By ITAR-TASS diplomatic correspondent Andrey Serov]

[FBIS Translated Text] Moscow, 8 Dec (ITAR-TASS)—Andrey Kozyrev accused Russia's Western partners of hushing up the violation of human rights in Estonia. On the eve of International Human Rights Day, which falls on 10 December, the Russian foreign minister again drew attention to the plight of the Russian-speaking community in the Baltic republics.

Speaking today at a meeting with representatives of Russia's human rights organizations, he declared that discrimination against nonindigenous communities, including Russians, Finns, Poles, and Jews, was legitimized in Estonia. The Russian foreign minister questioned the sincerity of efforts by Western countries to resolve this problem.

Comparing the world community's active championing of human rights in the former USSR with present international efforts to normalize the situation in the Baltic republics which have gained their independence, A. Kozyrev said that the West's reaction to similiar manifestations is inconsistent and inadequate. He believes that Western partners are seeking to persuade Russian representatives "not to make a fuss" over human rights in Estonia but to confine the polemics exclusively to diplomatic channels. However, the Russian minister is convinced that public attention must be drawn to this topic by "making a fuss" over discrimination against ethnic minorities.

Deputy Foreign Minister Says Europe's Unity Endorsed

LD0812193494 Moscow ITAR-TASS in English 1746 GMT 8 Dec 94

[By ITAR-TASS correspondents Valeriy Sevryukov and Vladimir Suprun]

[FBIS Transcribed Text] Moscow December 8 TASS—Consolidation of pan-European structures in their progress towards a united Europe has "very many advocates", and this is a key result of the Budapest CSCE summit, Russian Deputy Foreign Minister Nikolay Afanasyevskiy told a news conference today.

A lot depends now on practical implementation of intentions proclaimed by delegation leaders at the summit, Afanasyevskiy said. The deputy foreign minister stressed that Russia has "willingness and ideas" which will translate in real moves.

Afanasyevskiy described as "absolutely misplaced" some comments of Russian media on the summit's outcome. He said there were no reasons to say that some left the summit as victors and some as losers and that Russia found itself in isolation there. Afanasyevskiy said it was a "profound error" to depict the summit as a duel between Yeltsin and Clinton. Opinion on how to reach Europe's unity was spectral, Afanasyevskiy admitted. He pointed out, however, that the summit was consensual on the main point that Europe must come to unity.

Afanasyevskiy highly appraised the summit's programme setting out to generate a model of European security and stability on the eve of the 21st century. The programme, the deputy foreign minister said, provides clear guidelines for making the CSCE an efficient regional organisation providing a general framework for Europe's movement to unity.

Moscow Considers CSCE Decisions on Karabakh 'Balanced'

LD0812192194 Moscow INTERFAX in English 1620 GMT 8 Dec 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

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[FBIS Transcribed Text] The decisions of the Budapest CSCE summit on Nagorno Karabakh are "rather realistic and balanced", the Russian president's special envoy on Nagorno Karabakh Vladimir Kazimirov told a briefing in Moscow on Thursday.

He said that recently there was a tide of speculations about the contradictions between the Russian Federation and the CSCE Minsk Group. Kazimirov said that Russia itself is one of the most active members of the Group. Our partners in the Minsk Group considered that to continue talks is the main thing. Our priority was to achieve ceasefire since, if so, negotiations will naturally continue, said Kazimirov.

He believes as wrong the idea that "someone yielded or departed from his positions". "Russia is one of the co-sponsors in the Minsk Group, and this, we believe, will help achieve settlement," he said.

CSCE Karabakh Peacekeeping Plans Viewed

MM0912114594 Moscow IZVESTIYA in Russian 9 Dec 94 p 3

[Report by Boris Vinogradov: "3000 Peacemakers To Create Conditions for Settlement in Karabakh"]

[FBIS Translated Text] The operation in Nagornyy Karabakh, approved in principle by the CSCE meeting in Budapest, will go down in history as the birth of the second most important peace-keeping institution after the United Nations.

The 3,000 soldiers who are to be sent to Karabakh will have the task of disengaging the sides, observing the cease fire, and preparing the conditions for a political settlement. If the operation takes place, it may be considered that the CSCE has taken a major step toward enhancing its prestige in international affairs and will end the tedious accusations of this organization's "shapelessness and liberalism."

There has long been talk of the need for peacemaking by forces (silovoye mirotvorchestvo] in Karabakh. But so far, only two countries—Russia and Turkey—have expressed their firm intention to take part in it. As their main reasons for their readiness to extinguish the conflict, Moscow and Ankara cite their own geopolitical interests in this region.

Back at the start of the year Pavel Grachev agreed to send troops to the conflict zone on condition that the sides would not fire on one another and that they recognize Russia's status as a peacekeeper. As for the firing, things seem to be working out well: There is no shooting going on in Karabakh. The question of Russia's recognition is more complex. Unlike Yerevan and Stepanakert, Baku is being more cautious, fearing criticism of "betraying national interests" and "loss of sovereignty." Geydar Aliyev has not particularly doubted Moscow's disinterestedness but nevertheless heeded the West more and said that he prefers multilateral forces.

Butrus-Ghali and Madeleine Albright, the U.S. special representative to the United Nations, who have visited Baku and Yerevan, also said that they have no objections to Russia's participation but that its forces must not exceed 30 percent of the total strength. In addition, they stressed, the operation must be conducted exclusively under the auspices of the CSCE or the United Nations and therefore the Russian units will be under the command of generals from other countries.

This approach to the question did not suit Moscow which, until the last moment was still hoping for a more prominent role in the peacemaking process commensurate with its weight and influence in the Caucasus. However, Russia's great-power ambitions, as the Budapest meeting showed, were misunderstood in the West and instead of sympathy aroused irritation. The proposal to use CIS countries in the peacemaking forces altered nothing. The "Russian plan" for the Karabakh settlement has not been discussed in Budapest.

Sam Brown, the U.S. representative at the CSCE, counselled against delaying the operation and said that it should be started soon before the guns begin firing in Karabakh again. Turkey stated that it is already prepared to send 480 soldiers there. The United Nations is providing $40 million to cover the first six months. One small thing is lacking. The warring sides have to sign the so-called "agreement to end the armed conflict." Only then will the "blue helmets" appear between the sides.

You need a lively imagination to regard this document as agreed given the present differences between the sides. Apart from the territorial disputes and borders, the main obstacle is still Azerbaijan's unwillingness to recognize Stepanakert as the third side in the conflict. So far its political status has still not been enshrined in a single document signed by Azerbaijan. In addition, as we were told at the Karabakh Foreign Ministry, Stepanakert will never agree to the participation of Turkish forces in the peacekeeping operation.

Spokesman Raises Possibility of Withdrawal From Bosnia

LD0812171494 Moscow ITAR-TASS World Service in Russian 1554 GMT 8 Dec 94

[By ITAR-TASS correspondents Valeriy Sevryukov and Vladimir Suprun]

[FBIS Translated Text] Moscow, 8 Dec—Russia will withdraw its peacekeeping contingent if it is affected by an escalation of the hostilities in former Yugoslavia, Nikita Matkovskiy, an official spokesman for the Russian Foreign Ministry told a briefing today. Such a threat could become a reality, he stressed, if the embargo on arms supplies to the government of Bosnia-Herzegovina is lifted or if any force is used, without the sanction of the UN Security Council, which turns the peacekeeping forces into a participant in the conflict.

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At the same time, the diplomat continued, Russia continues to regard the presence of UNPROFOR [UN Protection Force] forces as an important factor in settling the conflict in former Yugoslavia. It is precisely because of UNPROFOR that it has, on the whole, been possible to prevent the armed conflict from spreading further, to deliver humanitarian assistance and to create prerequisites for a political solution to the crisis.

We hope that it will not be necessary to withdraw the peacekeeping forces in the near future. However, the UN is drawing up plans to evacuate UNPROFOR "just in case," N. Matkovskiy noted.

Foreign Ministry Spokesman on UNPROFOR Withdrawal

LD0812180694 Moscow INTERFAX in English 1653 GMT 8 Dec 94

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Excerpt] [passage omitted] As [Foreign Ministry spokesman Nikita] Matkovskiy said, Russia hopes that there will be no need to pull the UN protection forces [UNPROFOR] out of the former Yugoslavia in the near future. Nevertheless Moscow believes that the UN's decision to work out—in cooperation with NATO—plans for evacuating its forces "just in case" was right.

According to Matkovskiy, the Russian Federation believes that the peacekeeping contingent should remain in Bosnia and in Croatian regions under UN protection. Nevertheless Russia will withdraw its own contingent, if military actions are escalated. "This danger may emerge if the embargo on arms supplies to the Bosnian government (Interfax's note: to the Bosnian Muslims) is lifted, or if military actions unauthorized by the UN Security Council take place, turning the UN protection forces into a party involved in the conflict," he said.

According to Matkovskiy, Moscow hopes very much that the USA will change its approach to the issue of Russian gas supplies to Yugoslavia.

On December 7 Russia officially explained its attitude to the issue of gas supplies to the US embassy in Moscow, the diplomat said.

Recently Russia submitted to the committee for sanctions its official request to let it supply Yugoslavia with 124 million cubic meters of gas every month. "This kind of humanitarian aid is lawful and urgent, since in winter Yugoslavia suffers from acute shortages of fuel, which endanger the health of broad sections of civilian population," he stated.

As Matkovskiy said, "our Contact Group partners, including the USA, assured us that their attitude to Russia's request is in principle favorable."

Russia delivers gas to Bosnia also, Matkovskiy said. "In this area Russia has done maybe more than any other country. The gas supplied to Sarajevo comes only from Russia. Between January of 1991 and November of 1994 Russia supplied Bosnia-Herzegovina with more than 90-million-dollars worth of natural gas, even though it received no payment for it," he said.

Kasatonov Condemns NATO's 'Superficial Contact' With Russia

LD0812202394 Moscow INTERFAX in English 1634 GMT 8 Dec 94

[FBIS Transcribed Text] Countries of the North Atlantic Alliance maintain only "superficial contact" with Russia whereas "their doctrine of military superiority remains the same, namely at the level of the Cold War," First Deputy Commander-in-Chief of Russia's Navy Admiral Kasatonov declared in an interview with Interfax in Severomorsk (Murmansk region).

As an example, Kasatonov mentioned the recent incident of the detection of an atomic submarine of the U.S. Navy in the Barents Sea within Russian territorial waters. This "makes mutual relations between the world's largest powers rather problematic," Kasatonov said.

In his words, "the expediency of contacts between our country and NATO member-countries should be dictated not only by external conditions but by internal requirements of servicemen and politicians of all states of the world."

'Certainty' Lacking in Policy Toward Japan

MM0912104794 Moscow IZVESTIYA in Russian 9 Dec 94 p 3

[Article by Sergey Agafonov: "Moscow-Tokyo: Light at the End of the Tunnel"]

[FBIS Translated Text] Tokyo—Russia's INTERFAX news agency has filed a report which many people in Tokyo see as symbolic: INTERFAX cited statements by an unnamed, high-ranking Russian Foreign Ministry representative that Moscow will henceforth be linking the question of accepting Japan as a permanent member of the UN Security Council to the problem of the signing of a peace treaty between the two countries. If there is a treaty, there will be Russian support for Japanese intentions to join the Security Council; if there is no treaty, there will be no support either.

The Russian Foreign Ministry representative also noted that Japan and Germany are undoubtedly worthy candidates to join the Security Council, but that there are no unclear areas in relations between Germany and Russia, whereas there are some between Japan and Russia.

Tokyo has not yet reacted officially to Moscow's linkage, but at an unofficial level the commentaries have been relatively pessimistic, boiling down to the view that Russo-Japanese relations have entered a new phase of stagnation whose duration cannot be estimated. The UN

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matter is seen as just an additional illustration of the fact that things are successfully deadlocked and that both sides are now "inhabiting" the corner into which they have painted themselves for the umpteenth time.

At first glance this gloomy diagnosis might not seem very accurate—after all, the "UN move" was prepared in advance by a whole series of diplomatic events: For instance, there was the Russian Government delegation visit to Japan followed by Foreign Ministry consultations at deputy minister level. In short, life in the weak and rickety Russo-Japanese "organism" is physically present, something is happening, and that something is even generating public satisfaction among certain officials.

Nonetheless, in this specific instance the historical truth seems to be on the side of the pessimists. Despite the bustle of various bilateral Russo-Japanese events in the past few weeks, despite the talks at round and square tables, and despite the meetings both large and small that have graphically demonstrated what is known as an active dialogue, we can say that there is activity but no dialogue. The diplomats and other officials involved in the imitation of great work should not take offense, but it is becoming obvious to everybody that the well-oiled and familiar exchange of opposing views that promotes both familiarity and mutual misunderstanding is unlikely to bear fruit either rapidly or slowly.

Although it might not seem very patriotic to say so, judging by everything the Russian side is more to blame than the Japanese for this situation. Ultimately Tokyo has been and continues to be consistent and true to its cherished dream of recovering the disputed southern Kuril territories—to which end it is ready to be flexible within limits, to be pragmatic within the broadest time frame, to make "goodwill" gestures, and even to use an "economic catalyst." But, since the time of the "new Japanese diplomacy" of Gorbachev and then Yeltsin, Moscow's moves have been neither consistent nor, forgive me, well thought-out, and it cannot boast about its view of the future.

The most important thing that the Japanese are looking for—certainty—is missing from Moscow's position. Instead the tactic of often clumsy maneuvering around definitions, such as the meaning of "principles of justice and legality," how to interpret the recognition of the existence of the territorial question in bilateral relations, and so on, has been espoused. There is no doubt that the principle of "don't say yes, don't say no" is a good one and sometimes even irreplaceable, but it is only good for dragging things out—as far as anything else goes it is fruitless and cannot be used as a basis for real relations. The other cunning formula extensively used by Russian diplomats—"let future generations decide"—is, after all, not a manly attitude. And attempts to "overtake" the Japanese economically (you give us real investment and trade and economic ties first, and then we will talk about territorial matters) are very out of place in our contacts, since they assume that our opponent is unable to grasp the fundamental points underlying the entire diplomatic edifice.

Yet certainty and clarity have never been detrimental, just as fruitlessness has never been a glory of diplomacy. In this instance the Russian leadership is not being asked for an impossible sacrifice, just for some decisiveness which will make things easier for everyone. If we do not want to hand over the ill-starred islands, then we should say: "We will never hand them over; they are ours." It will be unpleasant at first, but it will no longer be necessary to play up to people, and relations will be built within this strict framework. If the feeling is different, it will not be hard to formulate it clearly: For instance, "the islands are ours, but we will hand them back in 10 (50, 100) years"; or simply "we recognize your rights, but there will be long discussions about the details"; or "the most that is possible is the 1956 accord—that is, we will hand back two islands, and then we will have to see." There could be many different positions, but we should have a position, rather than just wandering around with a vague dream of milking something positive out of thin air.

It should be noted that, even if devised with good intentions, the private references to domestic Russian difficulties, like the obstacles to the resolution of the Kurils problem in relations with Japan, are now clearly not working in the authorities' favor. When there is no certainty or clarity about intentions, then the road is clear for suspicion, speculation, and interpretation. And in this sense our weak-willed domestic policy own goal is even more painful than the foreign-policy version—which is something that our Russian leaders have to take into account as elections loom ever closer.

Parliamentarians' Talks in Portugal Assessed

MM0812143994 Moscow ROSSIYSKAYA GAZETA in Russian 7 Dec 94 First Edition p 6

[Report by Anatoliy Shapovalov: "On the Shores of the Atlantic Under the Watchful Eye of Christ: Portugal Favors Broad Economic Cooperation With Russia, as Discussed at Talks in Lisbon"]

[FBIS Translated Excerpt] Lisbon—[passage omitted] Diplomatic links between Lisbon and Moscow span almost 200 years. The Portuguese recall proudly that their physicians were highly respected at the court of the Russian czars, and that our seamen excelled themselves last century when putting out the fire in the parliament (its building has been preserved to this day), for which they earned the praise of the Portuguese king.

Unfortunately, this cuts little ice in the economic sphere. True, commodity turnover between our countries totaled $180 million in the first nine months of this year, which is 47 percent up on the same period last year. We send them petroleum products, coal, fish, and cotton, and they send us mainly footwear, foodstuffs, clothing,

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and tobacco. But both sides are capable of much more. The Portuguese, for instance, are prepared to expand cooperation in anything from the supply of footwear to collaboration in space (meaning their offer to establish a Russian space center on one of Portugal's capes). [passage omitted]

A start has indeed been made, but there is continuing restraint on accelerating the development of bilateral relations. This was sensed by the Federation Council delegation led by Vladimir Shumeyko after meeting with Portugal's president, premier, and parliamentarians. The same elements dominated all the talks: On the one hand, assurances that Lisbon is genuinely keen to facilitate relations with Moscow and that it always has supported and still does support the Russian Federation's membership of the Council of Europe, believing that this will help to form a huge zone of peace stretching from Lisbon to the Far East; and on the other, a barrage of questions: How progressive and conceptually developed are the approaches of today's Russian leaders toward reform, how profound and irreversible are the structural reforms, and how do things stand with the draft budget for next year?

Incidentally, the Portuguese side showed an excellent knowledge of our affairs and problems at a time when, to read the newspapers or listen to the radio, the same boast cannot particularly be applied to us: Nowadays the Russian Federation mass media are represented in Lisbon by just one RIA correspondent. Which is a pity, as today's Portugal, with almost 10 million people, is far from being the backwater of Europe that it was once long thought to be.

We are sincerely interested in developing relations with Moscow, A. Barboza de Melo, chairman of the Assembly of the Republic (parliament), stated, and we are prepared to give it assistance. Portugal's parliamentary experience could be useful to Russia. After all, it is we deputies who are transforming Salazar's totalitarian regime into a system of democracy.

The meetings and talks in Lisbon were distinguished not only by openness and friendliness but also by constructiveness. The parliamentarians of both countries, united in the view that it is the elaboration of laws in the economic sphere that causes them most trouble, specifically consented then and there to sign an agreement setting up a joint group on economic and budget legislation. The Russian delegation left Lisbon with an optimistic outlook.

Nevertheless, there was no getting away from the feeling that the main reason for the hosts' restraint was their careful attention to the political situation in Russia. They made it clear to their guests that, if the law-making process in Moscow progresses in a positive direction allowing foreign entrepreneurs to feel more confident in the Russian market, economic relations with Portugal will also gain momentum.

Moscow Links Energy Supply to Crimea to Fleet Status

MK0812142794 Moscow KOMMERSANT-DAILY in Russian 8 Dec 94 p 3

[Report by Konstantin Levin: "Simferopol Will Get Oil Only in Exchange for Sevastopol"]

[FBIS Translated Text] The onset of winter cold and the related acute energy problems have led to an increase in the flow of CIS government delegations to Moscow. Yesterday an intergovernment Russia-Crimea protocol was signed here on trade and economic cooperation in 1995 which did not include Russia's obligations on delivering Russian goods to Crimea. The situation for the peninsula could change for the better if Sevastopol finally becomes Russia's naval base.

There is no doubt that a final division of the Black Sea Fleet between Russia and Ukraine cannot be within the jurisdiction of Russian Vice Premier Aleksey Bolshakov and Crimea Premier Anatoliy Franchuk, who signed the intergovernment trade and economic protocol. Whether the Russian Navy will receive the whole of Sevastopol as a naval base or only its harbor will depend on political decisions made in Kiev and Moscow. The Russian Government, however, can achieve favorable results in the military- political sphere also through economic pressure. In particular, in the Russia-Ukraine negotiating process Moscow is seeking to link two economic and one military-political problems in one package. In the area of bilateral economic relations it is essential to reach agreement on rescheduling the Ukraine debt to Russia which constitutes 3.6 trillion rubles on Russian energy supplies alone, as well as on the "zero" option for the division of assets and liabilities of the former USSR. In the military-political sphere Moscow wants all of Sevastopol, not just its harbor (as under the Ukraine option), to be leased to Russia as a naval base. The Russian trumps at the bilateral negotiations have long been known to the Ukraine partners but even so they do not lose their effectiveness.

In addition to the threat of a sharp reduction in Russian gas supplies, which was already used this past March, the Russian Government recently banned the export of heating oil, which is widely used in Ukraine thermal power stations. Finally, Crimea has received no guarantees from Moscow about Russian oil deliveries, especially given that it is not clear how they will be paid for. Therefore Simferopol can resolve its energy problems only if a compromise is reached between Moscow and Kiev on the share-out of the Black Sea Fleet.

Russian, Ukrainian Delegations Fail To Sign Agreements

LD0812180194 Moscow ITAR-TASS World Service in Russian 1717 GMT 8 Dec 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

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[FBIS Translated Text] Moscow, 8 Dec—No agreements have been signed at the end of the Russian-Ukrainian intergovernmental talks that were held in Moscow today, and in which Viktor Chernomyrdin and Vitaliy Masol, the prime ministers of the two countries, took part. The talks will be continued tomorrow [9 December]. The two sides discussed, among other things, the "zero option" of dividing up the debts and assets of the former USSR. Oleg Soskovets and Yevheniy Marchuk, the first deputy prime ministers of Russia and Ukraine, have been instructed to discuss in detail the question of dividing the Black Sea Fleet at their meeting in Kiev on 13-14 December.

"Experts will continue their talks overnight in order to finalize the document on dividing up the debts and assets of the former USSR," Vitaliy Masol, Ukrainian head of government, told journalists. He refused to disclose the preliminary results of his meeting with Viktor Chernomyrdin.

However, First Deputy Prime Minister Yevheniy Marchuk told ITAR-TASS that the Ukrainian Government delegation has been authorized by Kiev to sign the "zero option." It will be recalled that under this option all assets of the former USSR are to be transferred to the Russian Federation in exchange for the servicing by Russia of the Ukrainian share of the foreign debt of the former USSR.

Yevheniy Marchuk said that 18 bilateral documents were "ready to be signed." The entire package of Russian-Ukrainian agreements laying down a legal foundation for the relations between Russia and Ukraine—including a full-scale Friendship and Cooperation Treaty between the two countries—comprises over 45 documents. Part of them is scheduled to be signed during a meeting between the leaders of the two countries, Boris Yeltsin and Leonid Kuchma, which will in all probability take place at the beginning of 1995, the Ukrainian first deputy prime minister said.

Russia To Join World Trade Organization

LD0912093394 Moscow Mayak Radio Network in Russian 0730 GMT 9 Dec 94

[FBIS Translated Text] Russia is to become a member of the World Trade Organization. The official ceremony of handing over the application is to take place at the Geneva headquarters of the General Agreement on Tariffs and Trade, GATT. The application has been signed by Russian Prime Minister Viktor Chernomyrdin.

We will explain that the World Trade Organization, which is starting to operate from 1 January, 1995, will make it possible to resolve commercial disputes more efficiently and to form maximally favorable conditions for world trade in conditions of reciprocity.

Central Bank Governor, Iranian Envoy Discuss Bank Melli

LD0812212194 Tehran IRNA in English 1958 GMT 8 Dec 94

[FBIS Transcribed Text] Moscow, Dec. 8, IRNA—Acting governor of the Russian Central Bank Tatyana Paramonova, in a meeting with the Iranian ambassador to Moscow Mehdi Safari here Thursday underscored the need for expansion of banking cooperation between Iran and Russia.

Safari underlined the need for direct contacts between Iranian and Russian banks in view of the presence in Moscow of Iran's Bank Melli over the past couple of years and its failure to perform. He said the issuance of license for the Bank Melli branch in Moscow to enter into into partnership would be in line with expansion of bilateral economic and commercial activities.

Referring to the domestic problems faced by her country, Paramonova said the issue is on the agenda of the board of governors of the Russian Central Bank which decides in such matters. She expressed hope that Iran's Bank Melli branch, which is backed by guarantees from branches in Hamburg and London, could soon play an active role in Russia.

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Political Issues

Kalmykov Explains Decision To Resign

LD0912125694 Moscow Russian Television Network in Russian 1100 GMT 9 Dec 94

[Video report by correspondent A. Pishchayev with recorded remarks by former Justice Minister Yuriy Kalmykov; from the "Vesti" newscast]

[FBIS Translated Text] [Announcer Yevgeniy Piskunov] Two days ago Yuriy Kalmykov announced his resignation from the post of justice minister.

[Pishchayev] The immediate reason for his resignation from the post of justice minister was the situation in Chechnya, Yuriy Kalmykov told journalists today.

[Kalmykov] I spoke at one of the recent sittings of the Security Council, when the Chechen question was being discussed. I felt that the general tendency was toward resolving this issue through the use of force and I spoke against this attitude.

[Pishchayev] Yuriy Khamzatovich has wanted to resign for a long time. The main reason for his resignation is the poor organization of the state machinery. In his words, damage is being indisputably caused to the country by a dualism of power, i.e. the existence of two governments—the constitutional government and the presidential administration.

[Kalmykov] The presidential administration is a kind of Politburo, which supervises the government and interferes in the government's affairs.

[Pishchayev] He quoted as an example some attempts at drawing up new laws by the state and legal directorate under the president, despite the fact that this should be a prerogative of the Ministry of Justice. According to Kalmykov, this situation will continue until a law on the administration of the head of state is adopted, where its functions would be clearly delimited. In conclusion, the ex-minister said that he was giving up his post without much regret as he was looking forward to extensive academic work.

Justice Ministry Has New Options

MM0812160194 Moscow ROSSIYSKIYE VESTI in Russian 8 Dec 94 p 1

[Report by Lyubov Volodina: "Cadres: Who Will Replace Yuriy Kalmykov?"]

[FBIS Translated Text] Russian President Boris Yeltsin has signed an edict relieving Justice Minister Yuriy Kalmykov of his post.

There have been rumors of Kalmykov's possible resignation for a long time; and they were caused by two factors: the justice minister's own intention of quitting this post (due in part to his nomination as a candidate for the post of Constitutional Court justice), and also the president's overall policy of updating the government. The activity of the Justice Ministry, what is more, has constantly come in for public criticism. ROSSIYSKIYE VESTI has in particular repeatedly drawn attention to the justice department's strange tolerance of the spread of radical-extremist and blatantly fascist organizations and publications. On the other hand, the ministry has introduced "draconian" rules governing the registration of political parties—including the provision of detailed information in the lists on each member of a party including his home address and telephone number. Moreover, lack of coordination between the actions of the ministry and the Russian Federation presidential State Law Administration has frequently been noted. The fact that the work of Kalmykov's department was not effective enough was too noticeable for him not to be affected by the wave of government reshuffles.

The delay with the "Kalmykov" decision, however, is most likely attributable to the wait for Yuriy Khamzatovich to undergo the Federation Council "grilling" (he was not even elected to the Constitutional Court) and to difficulties in selecting a new candidate for the post of justice minister. As we know, the opposition intends nominating its own representative for this post (the names of State Duma Deputy Chairman Valentin Kovalev from the Communists and the notorious Vladimir Isakov, a Duma committee chairman, have already been cited). And the president will have to choose between his endeavor to "pacify" the opposition and his legitimate desire to have as loyal and competent a man as Yuriy Kalmykov in this post, which is very important during the establishment of a rule-of-law state, but possibly a younger and more energetic person, someone who is more insistent and consistent about implementing judicial and legal reform and improving state institutions and the political climate in the country.

Political Parties Create 'Strong' Organizations

MM0812131994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Dec 94 p 2

[Second and final part of article by political observer Pavel Voshchanov: "'Here I Am in the Kremlin!' What Next?"]

[FBIS Translated Text] Every political era has its own "fashionable" slogans. For instance, at the dawn of perestroyka Communist Party repentance and, needless to say, the abrogation of its nomenklatura privileges had to be demanded in as extensive and inspired a manner as possible at all meetings with voters. It would have brought cries of "hurrah." In last December's elections victory was won by those who guessed the change in the public mood and spoke fairly intelligibly about combating corruption and defending the national interests of the desecrated Fatherland. Right now it is hard to tell what will turn up in the coming political season's repertoire. But one thing is clear: It will not be slogans that settle the dispute between the opposing elites. But the strength of the organizations they have created.

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Political Parties

For many decades the Russians lived in a depressingly one-party state. Not surprisingly. It was simpler and safer to rob the State Bank than set up a party even as a joke.... Then suddenly there came a breakthrough. Not a day goes by without a new detachment of political campaigners. If you assess our achievements in the field of democracy on the basis of their numbers and diversity you can say with confidence that the arrogant West is disgraced.

What is needed to set up a new party? An idea? Like-minded people? Anywhere else, but not in our country. Here the prime thing is a popular or influential figure (which are by no means one and the same). The number of figures equals the number of parties. This purely Russian trait is reflected in the informal names: "Shakhray's party," "Travkin's party," "Gaydar's party," "Zhirinovskiy's party," and so on down to the end of the list. But the talents of a party leader must also include a secret facet without which nothing will happen. The ability to attract not only votes but also money from political benefactors. The latter is an indispensable condition. It must be said that none of today's rich men are eager to sponsor complicated ideas. They are only capable of understanding the benefits of the simplest of things—money is allocated for a specific person. It is given to him and he is accountable. That determines many things in Russian parties' activity.

"Leader-oriented" parties set up in the hope of their leader's having financial appeal often prove to be no more than a poltiical rallying point. We have more than enough of those. Having no real political clout, they will only be able to take part in future elections within a bloc that has some shortage of "shareholders."

Borovoy's Economic Freedom Party seems to be experiencing something of the kind now. Neither an active television promotional campaign nor an ability to hold the limelight at all remotely significant events have hitherto rescued its "high-society" [salonnyy] leader from defeat. Since last December Borovoy has been really dogged by defeat. Any other party without even a minor victory to its credit would have long since sunk into oblivion. Yet this one is politically immortal. Why? Something that has never been born cannot die. The writer of this article knows one "campaigner for economic freedom" who bought a seat on the party's political council for a few million rubles. This market principle behind its formation reduces it to the position of an elitist club. And there is every indication that all is not going well with this since all the efforts boil down to one thing—not allowing the country to forget the existence of Borovoy himself.

In what way is the present situation special? The "leader-oriented" rallying parties are starting to break up and be swallowed up by more powerful political structures. Often with different orientation. One example of this is what is now happening to the Peasant Party. Set up by the polemical zeal of the well-known journalist back in the time of Russia's kolkhozes and sovkhozes, it has simply gone astray in its quest for the peasant ideal. Whereas the leader saw the image of a kind of rural bourgeoisie, socialist sentiments grew stronger with every day that passed among private farmers. Discord arose—the peasants' party advocates one thing, while the peasants themselves want something else. The upshot being that different voices also began to be heard in the party choir. But it is nevertheless not this but something else that is characteristic. A seemingly ideological dispute would seem to have ended in a commonplace row. But while the big shots—Chernichenko and Shatokhin—are virtually going to court to find out which of them is the legitimate leader of all peasant Russia, the creaky peasant cart has taken off for the Agrarian Party camp, which espouses positions on a totally different side of the political center.

The party grassroots' desire on the eve of the elections to somehow ennoble their sullied calling card is by no means the lot of the weak and feeble alone. There does not seem to be a single Russian party today in whose camp the conflagration of wide-scale disputes does not burn—the "workhorses" are rebelling against the futile to-ings and fro-ings of the bold "star turns...." An example being the Democratic Party of Russia [DPR]. At the end of perestroyka it was perhaps one of the strongest and most promising detachments of the democratic opposition to the Kremlin of the time. At that time its leadership included political stars of the first magnitude. For instance, then State Secretary Gennadiy Burbulis, who did plenty to bring the party into being and ensure its material prosperity. And what is the result? The result is "Travkin's party." And that is the secret of everything which is now happening to it.

In the last elections the DPR had difficulty in making it to the Duma. Its party faction is the smallest and it runs the risk of breaking up altogether since Travkin (who is incidentally the leader of a left-of-center party and consequently an opposition party in some sense) took up the mysterious post of "minister without portfolio." Seeing this, the party's national committee began talking about replacing the party leadership. But they were unable to make any decision—Travkin does not attend "party conferences" with that kind of agenda. Thus a congress will resolve everything.

So, what awaits the DPR? A struggle between three intraparty currents: the "staunch" Travkinites, who are demanding that the party's former banner be preserved; the "patriots," who are pushing through the idea of electing Sergey Glazyev, now leader of the State Duma Committee for Economic Reform, as the new leader; and, lastly, the "veterans," who are seeking a "workhorse" that will engage not in representation but in the dirty work of strengthening party ranks.... People say that the next congress of what is still "Travkin's" party will begin 17 December. But how will it end? It is not, alas, one of our traditions for it to end in absolutely

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nothing. Former Communists who have become democrats, republicans, or liberals have gotten accustomed to seeing a leader at the head of any business. Ultimately this is just convenient—there is someone to follow and, if necessary, hurl stones at.

Against the general backdrop of intraparty strife parties of left-wing orientation seem the most stable, namely the Communist and Agrarian Parties. Things are far worse when it comes to right-wing parties. It is evidently no coincidence that over the past fall Russia's Democratic Choice has steadily held the lead in terms of the number of deputies it has lost. One can argue at length about the "Gaydarites'" reasons, but the main one seems to be the duplicity of its political position. You cannot preserve timid relations with the incumbent regime while pretending not to be involved in it. Voters and the party grassroots increasingly dislike Yegor Gaydar's two naive ideas. The first being that everything bad in Russia began with his leaving government. And second that the president is never to blame for anything. His entourage is to blame.... You do not have to be a Solomon to realize the obvious fact that this position is doomed to failure from the outset. Because in the very near future "Gaydar's party" will have to go through what the "leader-oriented" political rallying points are now going through—division, loss of their most brilliant personalities, and loss of real political clout.

...There are so many political parties in Russia today that there is not enough space in the newspapers to talk about each of them. We must call a halt somewhere. But in conclusion I cannot help but say a few words about another party that emerged literally a few days ago—the Bath Lovers Party (BLP for short). It has extremely serious intentions and I think that it is entitled to expect a certain number of voters. But the trouble is that, before it has had time to emerge, it immediately caught the common ailment. The young organism is being "broken" by a highly acute intraparty conflict—a hard-line struggle between two factions—the "patriots" and the "Westerners." Fans of the Russian bath and the Finnish bath. They will hardly reach agreement themselves. Their ideological differences are too great. So, the voter will have to choose. I hope they do not make a mistake—the future of the Fatherland is at stake.

Zhirinovskiy Misses FCS Lawsuit Hearing

LD0812182994 Moscow ITAR-TASS in English 1605 GMT 8 Dec 94

[By ITAR-TASS correspondent Yelena Gorelova]

[FBIS Transcribed Text] Moscow December 8 TASS—The hearing of the lawsuit of Sergey Stepashin, director of Russia's Federal Counterintelligence Service [FCS], against Deputy of the State Duma Vladimir Zhirinovskiy, planned to be held in the Preobrazhenskiy inter-municipal court on Wednesday, was not held. The reason was banal: The Liberal-Democratic leader failed to show up, ITAR-TASS learned from the Public Relations Centre of the Federal Counterintelligence Service on Thursday.

As is known, Zhirinovskiy publicly accused the chief of Russian Counterintelligence of being an agent of Israeli intelligence Mossad and of the United States Central Intelligence Agency. Quite probably, this will be a long-drawn-out case: because of Zhirinovskiy's staying away from court the next court meeting is planned for December 27, 1994.

Leaders on Chechnya Compromise, Use of Military

LD0812194394

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 8 December broadcasts the "Details" current affairs program, presented by Sergey Dorenko, which featured separate prerecorded interviews with Grigoriy Yavlinskiy, leader of the Yabloko faction in the State Duma, and Sergey Yushenkov, chairman of the State Duma Defense Committee, as well as a brief comment on Russian military preparations vis-a-vis Chechnya.

Dorenko opens the program by saying that both chambers of the Federal Assembly had discussed Chechnya behind closed doors today. He interprets this as meaning that Russian politicians were reluctant to take responsibility for a decision on the issue.

Asked by Dorenko if deputies could not make private representations to President Yeltsin, Yavlinskiy asks if there was any point in looking for ways to get through to the president "if he does not want to listen." When it was suggested that he was seeking to boost his own electoral chances by going to Chechnya as an intermediary, he says that he would not object if all Russian politicians sought popularity with the voters by "averting war or returning captives to their parents or defending other people from anonymous bombing raids or from tanks entering Russian cities."

Asked by Dorenko if he could not use his influence to good effect in the Moscow circles where important decisions are still made—"the corridors of the Kremlin, bath-houses, lifts, and various secluded places"—Yushenkov says that he owes it to his electors to act in public at all times, although, when pressed by Dorenko, he acknowledged that his recent mission to Chechnya was sanctioned in advance by "Chernomyrdin, Stepashin, Filatov, and many others."

Alone in the studio again, Dorenko remarks that while the Moscow "political elite" hesitated to take a stand on the Chechen crisis, "according to some information from military circles, all heads of federal departments have, without any decree, already been placed under the command of Defense Minister Grachev in matters relating to Chechnya." He suggests that military action had not yet been taken against Chechnya because of the work

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involved in planning the operation, and because the military were waiting for the members of Russia's "political elite" to make their positions clear. He says that the military had bitter memories of taking the blame for Soviet-era operations in Tbilisi, Vilnius, Riga and, in 1991, in Moscow. He then returned to his interviews.

Yavlinskiy agrees with him that agreement could have been reached between Russia and Chechnya through negotiations just as it was achieved between Russia and Tatarstan.

In reply to a question from Dorenko, Yushenkov says that he had the impression that Dudayev "was a person capable of compromise" and that he suspected that he could even be persuaded to regard Chechnya as a subject of the Russian Federation. In reply to the same question, Yavlinskiy says that as a result of spending hours speaking to Dudayev, the Chechen vice president, and the Chechen justice minister he had concluded that "a platform for negotiations exists."

Buryatia Republic, Moscow Prepare Power Treaty

LD0812172194 Moscow INTERFAX in English 1416 GMT 8 Dec 94

[FBIS Transcribed Text] The commission in charge of preparing a draft treaty between Buryatia (a republic within the Russian Federation) and Russia on power sharing was formed on the instructions of the president of this Siberian republic Leonid Potapov.

The president's legal adviser, Valeriy Yakovlev, has told Interfax that the treaty will be in line with the Russian Constitution. The document will contain over 10 separate agreements on power sharing on the territory of Buryatia.

According to Yakovlev, the draft treaty is to be submitted on December 20 to Russian Prime Minister Viktor Chernomyrdin.

Armenian Deputy Undergoes Attack in Moscow

NC0812180394 Yerevan SNARK in English 1212 GMT 8 Dec 94

[FBIS Transcribed Text] Moscow, December 8 (SNARK)—The Deputy of Armenian Parliament Arshak Sadoyan has been beaten by unknown persons in Moscow, SNARK was informed about it from trustworthy sources of Russian capital. The Parliamentarian has been attacked last Tuesday [6 December], not far from metro station "Ulitsa Podbelskogo"("Podbelski Street").

First aid was given to the injured.

Delegations Work On Chechnya Talks Priorities

LD0812204594 Moscow INTERFAX in English 1702 GMT 8 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The talks between the working commission of the Russian government, Chechen authorities and opposition will start in the North Ossetian capital Vladikavkaz at 15:00 Monday, December 12.

According to the Interim Information Center of the Russian government, a total of 12 Russian officials will take part in the talks under the chairmanship by Deputy Nationalities and Regional Policy Minister Vyacheslav Mikhaylov. Groznyy will send a delegation of nine members led by Chechen Economics and Finance Minister Taimaz Abubakarov. The opposition delegation includes three members and is headed by Prosecutor Bek Baskhanov.

The talks between the federal and Chechen authorities are expected to focus on putting an end to bloodshed, disarmament and establishing normal relations.

As for the talks with the opposition, they are the most likely to be held separately and focus on disarmament only.

In the meantime, Federal Counterintelligence Service Director Sergey Stepashin arrived in Mozdok Thursday. He told Interfax that he had come "to fulfill the decision by the Security Council to establish the constitutional order on the territory of the Russian Federation." He said no swift turns should be expected from the Russian leadership in the Chechen settlement.

In his answer to journalists' questions, Stepashin said that Federation Council Speaker Vladimir Shumeyko had not called for recognition of Dudayev's regime as legitimate at the Security Council meeting Thursday. This opinion emerged due to the media's incorrect interpretation of Shumeyko's public statements, he added.

"Speaking at the meeting, Shumeyko stressed once again that he, as chairman of the Federation Council, considered the observation of the Constitution of the Russian Federation in what refers to Chechnya as the basic principle," he said.

A delegation of the Russian Defense Ministry left Mozdok for Groznyy Thursday to see freeing Russian servicemen kept there. The delegation is headed by a plenipotentiary representative of the Defense Ministry, head of the Russian army medical service Colonel General Chizh. After freeing, the servicemen are expected to be taken to Moscow by plane. IF Note: The agreement to free the Russian servicemen had been reached by Russian Defense Minister Pavel Grachev and Chechen President Dzhokhar Dudayev in the village Sleptsovskaya of the Sunzhenskiy district of Ingushetia on December 6. According to the Russian Defense Ministry, a total of 14 Russian servicemen were captured during an abortive storm of Groznyy on November 26.

Both houses of the Russian parliament discussed the situation in the Chechen republic at their closed sessions Thursday.

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The State Duma committee for security proposed a draft resolution recognizing the federal authorities' activities in the settlement of the Chechen conflict as extremely unsatisfactory.

The Russian president was proposed to use all measures of "political and legal character" to stop armed confrontation and restore legality in Chechnya.

The State Duma was proposed to consider a presidential proposal to amnesty all those not involved in grave crimes against civilians and voluntarily disarmed before December 15, proceeding from the assumption that the Chechen republic was "an inalienable part of the Russian Federation, on the territory of which the Constitution and laws of Russia must be enforced."

The Security Committee believes it necessary to hold free elections to the supreme bodies of the Chechen republic as well as those to the State Duma and the Federation Council.

Interfax learned that a number of parliamentary factions and the State Duma Committee for Defense also submitted their draft resolutions for discussion.

Shakhray on Disarmament, Economics in Chechnya

LD0812214094 Moscow INTERFAX in English 1857 GMT 8 Dec 94

[FBIS Transcribed Text] The grouping "which is ready to fight for Groznyy on Dudayev's side totals about 1,500 people." Russia's Vice Premier Sergey Shakhray articulated this information at a press conference Thursday. In his words, despite "tough measures" on border control about 200 people have penetrated Chechnya during the recent time.

When asked whether coercive measures against Groznyy are possible Shakhray answered that "there will be no decisions without the president" and everything depends upon "the tension of the situation"—whether the Russian captives are returned or not and whether the negotiations process on disarmament of the warring parties will start, etc.

He pointed out that "the tactic of ignoring the Chambers of the Federal Assembly is absolutely wrong,"--it resulted in the absence of representatives of power structures at the chambers' sittings. This reminded him of the experience of the former Supreme Soviet of the Russian Federation which demonstrated an extreme danger "of mutual isolation of power branches."

According to Shakhray, the negotiations with Dzhokhar Dudayev can take place but only with one of the parties participating in the conflict. In his opinion, the settling of the crisis should begin with the disarming of the conflict's participants and the restoration of economic activity. Then the republic should hold elections to the state power bodies and a referendum on the constitution. "The negotiations should be held only with a legitimate power," Shakhray underlined.

Commenting on the appointment of Nationalities and Regional Policy Minister Nikolay Yegorov as Russia's vice premier at Interfax's request, Shakhray linked this increase in his status with the fact that currently, as an official representative to the Russian president in the Chechen Republic, he is authorized to co- ordinate the activity of all structures and ministries in the region and this is the prerogative of the deputy chairman of the government.

Shakhray expressed the hope that his duties and the duties of the new vice premier "would be divided." He is ready to help Yegorov "for the sake of real results."

Republicans Favor Use of Force in Chechnya

LD0812222594 Moscow INTERFAX in English 1857 GMT 8 Dec 94

[FBIS Transcribed Text] The leader of the Russian National Republican Party and member of the State Duma Nikolay Lysenko has spoken in favor of the use of force in settling the Chechen crisis.

At a news conference Thursday he said President Boris Yeltsin has exhausted all possible constitutional ways of settling the situation in Chechnya, except the use of force.

In the nearest future the president must decide whether there are groups in Chechnya that can act as sources of law. If there are no such groups, force should be used lawfully and the markings of the Russian Armed Forces should not be covered up on planes and tanks, Lysenko said.

In his opinion if the Chechen crisis is not settled in the next few days, this will turn into the start of the gradual decay and death of Russia.

"Dzhokhar Dudayev is a person who has violated the constitution and laws of the Russian Federation many times, therefore we cannot regard him as president," Lysenko stressed.

Views Differ on Directing Chechnya Blame

MK0812144794 Moscow KOMMERSANT-DAILY in Russian 8 Dec 94 p 3

[Report by Maksim Sokolov: "Find Out Who Is Right and Who Is Wrong, and Punish Them Both"]

[FBIS Translated Text] Yesterday this advice by Captain Mironov's wife [from Pushkin's novel "The Captain's Daughter"] [punctuation as received] was applicable to the Russian federal authorities even if it was a little bit adjusted: the culprits were rewarded and the innocent punished. Rewarded was Vladimir Shumeyko's protege,

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Nationalities Minister Nikolay Yegorov, while those punished were ex-Nationalities Minister Sergey Shakhray and his party.

Having ousted Shakhray from the nationalities minister's office, Yegorov has also ousted his rival from the post of deputy prime minister supervising interethnic problems; it is now hard to make out just what Deputy Prime Minister Shakhray is still supervising. Just as hard to understand are the reasons for the elevation of Yegorov, who was ex-officio implicated in the Groznyy fiasco, while Shakhray, who was officially removed from the job of overseeing Chechen affairs one month ago, should have happily evaded responsibility for something with which he was no longer involved. Nonetheless the deputy prime minister finally fell from grace: within one day his rival Yegorov was elevated (at Shakhray's expense), Justice Minister Yuriy Kalmykov, a Party for Russian Unity and Accord [PRES] member, was fired, and the president's meeting with the PRES faction was canceled for understandable reasons. Given that another PRES minister, Aleksandr Shokhin, was ousted in early November, the PRES, former league leader in the number of deputy prime ministers and ministers, is steadily heading for the bottom of the standings.

Regarding the link between Shakhray's woes and the Chechen crisis, the president's paradoxical decision may have been prompted by a fully formalistic logic. Indeed, Shakhray opposed contacts with Dudayev and recommended betting on the opposition, while Shumeyko and Yegorov stood for direct talks with Dudayev. Following the Chechen fiasco things could go as far as direct talks, so as a result Yegorov may turn out to have been right all along. The subtle nuance that Shakhray the hawk was not involved in the recent saga, while Yegorov the dove was—and closely so—apparently dismissed as unimportant.

Generally speaking, the deputy prime minister is now paying the price for his attempt one year ago to start his own game. Unfortunately, the PRES proved to be a phantom party, devoid of support both in the regions, contacts with which have been monopolized by Shakhray's antagonist, Shumeyko, and in key social groups; while the PRES press organ, NOVAYA YEZHEDNEVNAYA GAZETA, turned out to be the mouthpiece of the extreme margins of society. In this situation, PRES ministers and Shakhray himself could only hold out owing to the power of political inertia, so at the very first noticeable upheaval the president and the premier started getting rid of the marginal group without even bothering to think up any plausible excuse.

Russian 'Unprofessionalism' Threatens Security

MM0812161394 Moscow ROSSIYSKIYE VESTI in Russian 8 Dec 94 p 1

[Report by Dmitriy Lvov: "Serious Threat to Russia's Security Stems from Unprofessionalism of Some Politicians, the Military, and Special Services"]

[FBIS Translated Text] Yesterday the Russian Federation Security Council discussed the situation in Chechnya. Defense Minister Pavel Grachev briefed members of the Security Council on the results of his talks with Dzhokhar Dudayev. For the second time of late, questions raised by the crisis developments in the country have forced their way onto the agenda of a Council session. "Black Tuesday" and the bloody days in Chechnya are events that you would have thought were on different planes and not in actual fact closely interconnected. But both crises in our view have one source—not someone's ill-will but the unprofessionalism of those whom the state has entrusted with resolving matters of vital importance for society.

It was no secret conspiracy but incompetence on the part of the top leaders of the Finance Ministry and the Central Bank, their inability to predict and evaluate the situation that led to the ruble's collapse. Mistakes and miscalculations on the part of a number of politicians, the excessive self-confidence and autonomy of the military and special services, which operated in an extremely unprofessional manner, not to mention the moral aspect of their actions, the fact that the whole incident was shrouded in secrecy, ignorance of the real situation, and the lack of reliable information led to bloodshed and almost brought Russia to the brink of a Caucasus war. And if dismissal was the punishment for the statesmen responsible for the ruble's collapse, what punishment should befall those responsible for the Chechen crisis? Admittedly, this can only happen if they are sought out by someone other than the press, which has punctured the armor of secrecy and is helping to resolve the conflict with its active position, divulging more and more "secrets," respecting no one.

Needless to say, the "secrets" sometimes prove to be conjecture. Official Groznyy has repeatedly been found guilty of misinformation. But I must admit that the Russian power departments were guilty of the same thing every time they denied the reports that our servicemen, armored vehicles, and air force were involved in the Chechen conflict. After the abortive assault on Groznyy our weak soldiers, recruited by the FCS [Federal Counterintelligence Service], landed in a Chechen jail, while our crack special forces personnel from the secret special services found themselves a cushy number in downtown Moscow intimidating commercial bank guards.

Another question arises. Why now, three years on, has someone decided to unravel the Chechen conundrum at a stroke? The moment for organizing "events in Chechnya" (the exacerbation of the confrontation within the republic, the abortive assault on Groznyy) does not seem to have been chosen in connection with any new threat at this time from Dudayev but for quite different reasons, typical of the structures that are trying to make up for their loss of prestige and their internal problems by ostentatiously stepping up their activity and shifting attention to an "external danger."

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Previously the "external danger" was quite obvious. During the Cold War years a book entitled "Whence The Threat to Peace" was frequently published in the USSR. Having read it and looked at the photographs of aircraft carriers, nuclear submarines, Pershings, and Minutemen, it became clear that the threat came from NATO. Today it is far harder to answer the question: Whence the threat to Russian security. Today our security depends not so much on the deployment of NATO troops and the nature of their bloc's arms but rather on the level of professionalism of both politicians, officials, and representatives of the "power structures."

Economic Issues

Chernomyrdin Calls To 'Refine' Banking Laws

MM0812115594 Moscow ROSSIYSKAYA GAZETA in Russian 8 Dec 94 First Edition p 2

[Report by Maksim Zarezin: "Banks In Service of Reform"]

[FBIS Translated Text] The Third International Banking Conference opened in Moscow yesterday. In his greetings message to the conference participants Russian Federation President B. Yeltsin stressed that the successful development of the banking system is a necessary condition for achieving a breakthrough in the course of Russian reform in 1995.

Speaking at the conference's plenary session, Russian Premier V. Chernomyrdin noted that a banking system responsive to the demands of the modern market has already emerged in the country. Its successful functioning requires the development of an interbank lending market and incentives for new forms of banking operations that make it possible to reduce the level of risk assumed by the banks.

In V. Chernomyrdin's opinion, the improvement of banking legislation should include the refinement of existing laws and the preparation of new acts of legislation to regulate various types of banking and lending institutions (funds, savings banks, municipal banks) as well as various banking procedures.

"We advocate a banking system in which universal and specialized banks are not only entitled to conduct classic banking operations but can also engage in operations on the stock market, buying various types of bonds and acquiring shares, stakes, and shareholding certificates," the premier believes. But bank incorporation capital crossholdings [vzaimnoye uchastiye bankov v ikh ustavnykh kapitalakh] will be restricted, since this would give rise to a dangerous trend which could result in certain circumstances in a "domino effect."

"The stock market is necessary above all to stimulate investment in the national economy, since this is the universal mechanism for mobilizing investment resources through the issuing of shares and securities. Consequently, we view this problem as a fundamental one in the entire strategy of economic transformations in Russia," V. Chernomyrdin stressed.

The government is also counting on the depositary activity of the commercial banks—the maintenance of share registers and the registration and storage of both state and nonstate securities should be part of the list of any commercial bank's services. In the premier's opinion, the banks are called upon to promote the creation and finance the development of a system of modern settlement networks for the stock market.

The conference will end 10 December.

New FERM Deputy Specializes in Debt Repayment

MK0812140094 Moscow KOMMERSANT-DAILY in Russian 8 Dec 94 p 2

[Report by Marat Salimov: "The Foreign Economic Relations Ministry Has Acquired Its Own Debts Overseer"]

[FBIS Translated Text] Under a government decree "On the Deputy Foreign Economic Relations Minister of the Russian Federation," which was officially circulated yesterday, Nikolay Lisovskiy has become Oleg Davydov's deputy. Prior to this appointment Lisovskiy was in charge of the ministry's currency and credit department. Considering that after Aleksandr Shokhin's resignation the problem of Russia's debts have been handled by new Vice Premier Oleg Davydov, the appointment of Lisovskiy, a specialist on credit relations, can hardly be called unexpected.

Following the presidential edict appointing Oleg Davydov vice premier, while preserving the position of the foreign economic relations minister, the range of Davydov's functions considerably expanded. The most complex aspect (not to mention state regulation of foreign economic activity) is Russia's relations with international financial organizations.

In appointing Davydov vice premier, both the president and the premier realized that the appearance of a new vice premier—the government's emissary on foreign debts—could be perceived by creditors with some caution. In late August, contrary to Aleksandr Shokhin's official statement that the Russian Government would not raise the question of foreign debt forgiveness, Oleg Davydov began openly promoting the idea of the Paris Club's writing off part of the USSR debt. Although the minister's words at the time did not receive a broad international response, now, when Davydov is in charge of negotiations with international financial organizations, his words can be recalled. The cautious attitude to the new vice premier is also due to the fact that Davydov supports preserving the status of special exporters in 1995, which contradicts the memorandum the government sent to the World Bank.

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The appointment of Nikolay Lisovskiy, who has a reputation as a specialist in the area of currency settlements, as Russia's chief debt overseer from the Foreign Economic Relations Ministry [FERM] may be called on to alleviate foreign creditors' negative attitude to the figure of the new vice premier. In this situation it could also be important that Lisovskiy is Russia's representative in the "Almazy Rossii-Sakha" company. In light of Lisovskiy's rise it is so far impossible to predict the prospects of his interrelations with Oleg Davydov, who could insist on implementing his own debt rescheduling scheme both with the Paris and the London Club.

High Unemployment Burdens Federal Programs

MM0912101594 Moscow IZVESTIYA in Russian 8 Dec 94 p 8

[ITAR-TASS report: "Unemployment in Russia—Forecast and Money"]

[FBIS Translated Text] According to Economy Ministry forecasts, next year the number of unemployed people in Russia will reach five million, Russian Federation government vice premier Yuriy Yarov, who is in Krasnoyarsk, said on 7 December in an interview with an ITAR-TASS correspondent. According to him, this is an optimistic government forecast.

This year, he continued, the number of people receiving unemployment benefit in Russia reached two million.

According to Yuriy Yarov, "at the moment the federal employment service is unable to cope with a possible surge in unemployment next year," and therefore "without assistance from investments, which would help small and medium businesses to develop, we will not be in a position to maintain as many people and enable them to retrain."

Yuriy Yarov called for increased funding of programs to retrain the unemployed and create new jobs.

At the same time, the Federation Council on 7 December voted down a federal law "On the Budget of the State Fund for the Employment of the Russian Federation Population 1994," submitted to it by the State Duma. The deputies thought that the distribution of the fund's budget was "too centralized, and there was no control over its implementation locally." Many of them also disagreed with what they regarded as excessively large payments into the state fund by components of the federation.

Galina Karelova, chairman of the Federation Council Social Policy Committee, noted that "it makes no sense to amend at the end of the fiscal year a budget that has effectively been implemented" and called for this budget to be approved, taking into account all the omissions when adopting next year's budget. But the deputies remained adamant and voted against the law. They instructed the Social Policy Committee to prepare the final wording of its reasons for rejection—whether to reject the law as a whole or "because certain of its provisions are unacceptable." When the wording is ready, the chamber will return to the matter.

Ministry Reports Fall in Oil Production

MM0912130794 Moscow TRUD in Russian 9 Dec 94 p 1

[Unattributed report: "In Brief"]

[FBIS Translated Text] In the first 11 months of this year (compared with the same period last year) total oil production in Russia fell by almost 12 percent to 275.2 million tonnes, the Russian Federation Ministry of Fuel and Energy has reported.

Coal Minister on Investment, Draft Budget

LD0812144594 Moscow ITAR-TASS in English 1311 GMT 8 Dec 94

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow December 8 TASS—"Investment into the fuel and energy sector and the quest for funds for restructuring the coal industry are the most important matters that demand additional working out of the 1995 draft budget", Yuriy Shafranik, the Russian minister of fuel and energy, told ITAR-TASS.

Commenting on the draft state budget for 1995, Shafranik noted that, first of all, it is necessary to provide funds to cover investment requirements of the fuel and energy complex which amount to almost 24,000 billion roubles, a considerable sum. So far funds for this are not envisaged in the budget, and the sources of financing these programmes are not defined. Still, these funds must surely be supplied, Shafranik said. The reduction of funds for this article of the budget for the development of investment into energy will inevitably make for a sharp increase in the cost of output in the energy industry. This, in turn, will lead to a sharp decrease of the demand for these products and of consumption. In the long run, this will have a negative effect on all enterprises of the Russian industry, the minister said.

The search for funds for restructuring the coal industry is another problem of the draft budget that has not yet been fully solved. These funds are above all needed to enhance the effectiveness of coal output, to create new investment projects in the area and implement programmes of the closure of unprofitable mines.

Noting that quite a lot of complex matters remain unresolved, Shafranik also said that intensive debate on the budget articles related to a fuel and energy complex is now being conducted in the State Duma and in its committees. The minister expressed the hope that most of the problems will be solved effectively and that the funds allocated for the fuel and energy complex under various articles of the budget will unable it to continue developing and reach stabilisation.

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Coal Workers' Unions Favor Regulation of Prices

MM0812132994 Moscow PRAVDA in Russian 8 Dec 94 p 2

[Report from POSTFACTUM, ITAR-TASS, PRAVDA roundup under "The Economy and Us" rubric: "Without State Subsidies, Coal Prices Will Rise Three or Four Fold"]

[FBIS Translated Text] At a session of the "Rossugleprofsoyuz" Presidium, deputy chairman Ivan Mokhnachuk said that a decision has been made to continue work on the renewal of the 1995 tariff agreement so as to maintain state support for the coal sector and prevent the deregulation of coal prices. If consumers are made to bear the cost of the 4.6 trillion rubles received as state support in 1994, Ivan Mokhnachuk believes, coal rices will have to rise three- to four-fold and power generation coal will cost 80,000-100,000 rubles a tonne instead of 25,000-30,000 rubles.

Nuclear Issues

Energy Official Details Improved, Safer Reactors

LD0812190894 Moscow INTERFAX in English 1634 GMT 8 Dec 94

[FBIS Transcribed Text] The Russian Nuclear Energy Ministry is about to bring to a conclusion the design of a next generation of nuclear reactors whose safety will be two orders of magnitude higher than of the existing ones, First Deputy Nuclear Energy Minister Lev Ryabev told Interfax.

This third generation reactor does not require man's interference in emergencies, Ryabev said. In particular, if the temperature increases spontaneously, the nuclear reaction will be stopped automatically. Furthermore, the power units will be better protected against acts of terror.

Ryabev said that the design had been sent to experts of countries possessing nuclear technology and approved by them. Numerous countries are prepared to share in bringing the power units to perfection.

Federal Assembly

Duma Committee Calls for Restoring Constitution in Chechnya

LD0812142594 Moscow ITAR-TASS in English 1409 GMT 8 Dec 94

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow December 8 TASS—Chairman of the Duma Committee for Security, Viktor Ilyukhin, believes that the Russian Constitution should be restored and put into effect in Chechnya. Ilyukhin made a report at today' session of the State Duma, held behind closed doors, which was devoted to the situation in Chechnya.

In an interview with ITAR-TASS in an intermission of the session Ilyukhin said that "Chechnya has been and remains to be an inalienable part of the Russian Federation. This is a fundamental position which offers lawmakers a reliable basis for taking well-balanced decisions."

He pointed out that there were no serious differences between the lawmakers during debates on the Chechen problem at the State Duma. "The discussion has been rather calm and reasonable", Ilyukhin said.

Touching upon a possibility of using force in Chechnya, Ilyukhin said that "it is not the case of interference into internal affairs of a foreign country which is at issue," he said. "Chechnya is part of Russia and this is where all our assessments should stem from," Ilyukhin said.

Decision on Chechnya Postponed

LD0812184094 Moscow ITAR-TASS in English 1808 GMT 8 Dec 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow December 8 TASS—After discussing the Chechen issue behind closed doors throughout Thursday, the Russian parliament's lower house postponed until tomorrow the adoption of a draft resolution on the situation in the Chechen Republic and measures to settle it. The resolution is most likely to be passed at the State Duma's evening session on Friday.

According to lawmaker Vladimir Lysenko, parliament expressed serious concern over the bloodshed in Russia's breakaway province of Chechnya, as well as over numerous violations of the Russian Constitution and other laws, rights and liberties of citizens.

Differing opinions were voiced during the debates, the deputy head of the Duma's Committee for Regional Policy said. But the majority of lawmakers agreed that the thorny issue should be solved by means of political negotiations. The current situation threatens Russia's vital interests, national security, territorial integrity, social stability and peace, legislators emphasised.

"Keeping in mind the need for peace political talks, Ivan Rybkin (State Duma speaker) will meet tomorrow Boris Yeltsin to consider the results of the State Duma debates on the Chechen problem", Lysenko pointed out.

The Duma decided to set up an editing commission from among representatives of all factions and some committees with a view to finalize on Friday the draft resolution proposed by the Security Committee.

In drafting the resolution, lawmakers proceeded from the presidential decree granting an amnesty to those involved in the Chechen armed conflict, but not guilty of massacre and other grave crimes, Lysenko reported. "This is another important step proving to Russia's commitment to Chechen settlement", he stressed.

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According to Lysenko, the State Duma has not yet backed demands by certain lawmakers for resignation of the government as a whole or some of its ministers, in particular the so-called power ministers. However, he was quite positive that the final text of the resolution would provide for parliamentary investigation of the Chechen events, which may raise a question of the measure of guiltiness of certain officials.

Resolution on Chechnya Called 'Hypocritical'

LD0812205794 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 8 Dec 94

[FBIS Translated Text] The State Duma today adopted as a basis the draft resolution on the situation in Chechnya. This document deems the work of the federal organs of government to settle the situation extremely unsatisfactory. It has been recommended to the president to use all measures of a political and legal nature to stop the armed confrontation.

The Duma is to adopt this resolution as a whole tomorrow [9 December]. However, it is worth nothing that this document has given risen to mixed reactions. Thus, Deputy Anatoliy Shabad said in an Ekho Moskvy interview that the resolution does not rule out a strong-arm option for resolving the conflict:

[Begin Shabad recording] The formulations used in many speeches by deputies, in many drafts, and in many statements are totally hypocritical. These hypocritical formulations consist in saying that allegedly there is some intestine strife, some war there and the Russian Federation must stop this war. In actual fact what is happening today is something very simple: Russian Federation troops are massing along the border with Chechnya and the real threat is only that our troops will launch the most ordinary offensive so as to restore the Constitution, restore the sovereignty of the Russian Federation by blood, sword, and fire. I intend to submit an amendment tomorrow to demand that it should be proposed, recommended to the president that he make a clear statement about the refusal to use force with regard to the Chechen Republic Ichkeria. [end recording]

Federation Council Urges Normalization of Chechen Situation

LD0812223194 Moscow INTERFAX in English 1857 GMT 8 Dec 94

[FBIS Transcribed Text] The Federation Council has condemned the use of force by a number of federal bodies in Chechnya and proposed Russian President Boris Yeltsin make "constitutional efforts" to normalize the situation in the North Caucasian republic.

The upper house of the Russian parliament passed a resolution Thursday [8 December] recommending that the Prosecutor General's Office investigate the actions of those involved in air strikes on Groznyy and decide on their responsibility.

The Federation Council called on the leaders of the warring sides to immediately stop armed confrontation and begin political talks.

Deputies believed it necessary to form a commission of government officials and Federal Assembly deputies to organize the talks and a special expert group to work out professional recommendations for all stages of the negotiation process.

The Federation Council said it was ready "by all means" to promote the federal bodies' efforts to organize "a productive peace dialogue between the conflicting political sides in Chechnya."

According to the Federation Council, the talks' main principles could be the possibility of democratic expression of the people's will, achieving stability and calm in Chechnya and preserving Russia's territorial integrity.

The Federation Council demanded the Russian president and government submit it true information on events occurring in the country. It was proposed that the mass media show "prudence and restraint" while covering ethnic-biased conflicts.

The parliamentary committee for federation affairs was asked to prepare hearings on the situation in Chechnya jointly with the State Duma.

Federation Council Deputy Speaker Ramazan Abdulatipov told Interfax that the main provision of the resolution was that "while taking measures to preserve the constitutional system and integrity of the Russian Federation, it is necessary to strictly follow the Constitution and legislation of the Russian Federation."

Condemns Use of Force in Chechnya

LD0812170694 Moscow ITAR-TASS World Service in Russian 1631 GMT 8 Dec 94

[By ITAR-TASS correspondent Vladimir Taranov]

[FBIS Translated Text] Moscow, 8 Dec—The upper house of the Russian parliament today condemned "actions by a number of organizations of the federal authorities" aimed at using force to settle the conflict in Chechnya, including "the use of regular troops" and the "deliberate exacerbation of the armed confrontation, which has led to massive casualties."

The Federation Council deputies recommended that the office of the procurator-general investigate the legality of the bombing raids in Chechnya and determine the degree of culpability of those who took part in this.

Continues Discussion of Chechnya

LD0812173294 Moscow ITAR-TASS in English 1456 GMT 8 Dec 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

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[FBIS Transcribed Text] Moscow December 8 TASS—The settlement of the Chechen problem should be based on two principles—the respect for a free will of the Chechen people and inviolability of the integrity of the Russian Federation," said Deputy Chairman of the Federation Council, Ramazan Abdulatipov. Abdulatipov told ITAR-TASS during an intermission in a closed-door session devoted to the situation in Chechnya that a draft resolution he had submitted to the upper house of the chamber and which is being discussed now, is based on these principles.

Speaking to journalists, lawmakers of the upper house did not go into details of their debates on the Chechen problem. Abdulatipov noted that the suggested draft documents concern general political trends of the settlement. In accordance with the Russian Constitution, in this case, the upper chamber is vested with recommendatory powers only.

Heads of power structures who had been invited to attend the session of the federation council have failed to turn up, giving objective reasons, and some of them said that they would have to return to Mozdok.

The session was addressed by Vice-Premier Sergey Shakhray, minister for emergency situations, Sergey Shoygu and commander-in-chief of border guard troops, Andrey Nikolayev. However, the main question—who had taken decisions and ordered Russian troops get involved in military operations in Chechnya, has not been cleared up. Lawmakers hope that power ministers will meet them and clarify the situation.

Lawmakers also discussed the importance of carrying on a "Russia- to-Chechnya" dialogue. During the debates it was pointed out that it is necessary to coordinate the question who will be included in a Chechen delegation which might hold talks with the center. Many speakers came out in support of resolutions adopted on Wednesday by the Russian Security Council and stressed the importance of taking measures to end clashes between armed formations in Chechnya.

Federation Council Rejects Information Bill

LD0912104894 Moscow ITAR-TASS World Service in Russian 0954 GMT 9 Dec 94

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Translated Text] Moscow, 9 Dec—The Federation Council of the Russian Federal Assembly today turned down the law on information, information technology, and data protection, adopted by the State Duma on 16 November 1994. The law was tabled by the Federation Council's committee on science, culture, and education. It was rejected on the grounds that certain of its clauses are unacceptable. The Federation Council proposed a revised wording for individual clauses in the bill. It also asked the State Duma to agree to the establishment of an arbitration commission in order to resolve the differences that have arisen.

Regional Affairs

Last Captive Russian Servicemen Released in Chechnya

LD0812200694 Moscow ITAR-TASS World Service in Russian 1807 GMT 8 Dec 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 8 December—By handing over today eight Russian officers who had been taken prisoner during the unsuccessful storming of Groznyy on 26 November to Ivan Chizh, a representative of the Russian Defense Ministry, the Chechen side fully carried out its promise to return Russians to their homeland.

Seven freed servicemen will be taken to Vladikavkaz in cars today and, evidently, tomorrow they will fly to Moscow. Valeriy Prishchakov, who has been seriously injured, will for the time being remain in the Groznyy military hospital until an ambulance plane arrives to fetch him.

The ITAR-TASS correspondent was told by Chechnya's Procurator-General Usman Imayev that the eight persons, just as the 13 Russian soldiers and officers handed over previously, had been exempted from criminal prosecution under Dzhokhar Dudayev's decree on their pardon. Now, Usman Imayev said, Chechnya's official authorities are not holding a single Russian servicemen. At the same time, he does not rule out that there can be missing persons or unidentified dead. The search for them will be conducted jointly with Russian representatives.

The ceremony of the handover of the captives was attended by Dzhokhar Dudayev. In his address, head of the medical service of the Russian Defense Minister Colonel General Ivan Chizh thanked the Chechen leadership for the precise fulfillment of their promises and for the magnanimity shown.

In a brief press conference after the handover ceremony, Dzhokhar Dudayev stated that "by discharging from their deserved punishment servicemen who had fallen victim to intrigue, Chechnya is showing the humanity that is characteristic of its people and at the same time shows that one can always come to this land with peace but never with war."

Serious Concern Expressed Over Moscow Chechen Policy

LD0812202594 Moscow INTERFAX in English 1634 GMT 8 Dec 94

[FBIS Transcribed Text] The presidium of the Tatar Parliament has expressed "deep concern" over the "short-sighted and ambitious attempt" on the part of Moscow to solve difficult problems of inter-ethnic relations and the state structure through the use of force.

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The address to the president and the Federal Assembly of the Russian Federation, which was approved on Thursday [8 December], says that "ill- considered actions on the part of the Russian leadership, and, first of all, of its "power" structures concerning the political realities in Chechnya have put the entire North Caucasian region on the brink of a broad-scale civil war."

The presidium of the Tatar Parliament expressed hope that the leadership of the Russian Federation will show wisdom and will find peaceful means for overcoming the conflict in the Chechen Republic through the talks.

On the same day the "round-table" discussions involving political parties and public and political organizations of Tatarstan expressed support for the position by the president and parliament of the republic concerning the aggravation of the situation in the North Caucasus. Its delegates believe that the pressure on Chechnya on the part of the FSK and the Russian Defense Ministry will create a threat to peace in the country.

Meanwhile, the All-Tatar Public Center (ATPC) created in Kazan a headquarters for rendering aid to the Chechen Republic. The ATPC leaders appealed to the Tatar people and the Moslems to render aid to the Chechen citizens and send warm clothes, food, medicines and money. The ATPC said that it will take under patronage refugees, children, orphans and the wounded people from Chechnya.

Kondratyev Urges Talks to Resolve Chechen Issue

LD0812220094 Moscow ITAR-TASS in English 1759 GMT 8 Dec 94

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Transcribed Text] Bryansk December 8 TASS—"The Chechen issue cannot be solved by military means", said Russian Deputy Defence Minister Georgiy Kondratyev, currently on a visit to the central Russian city of Bryansk. He told TASS on Thursday [8 December] that a solution could be found at the negotiating table with Chechen President Dzhokhar Dudayev, whom Kondratyev described as "the Republic's elected president".

The deputy minister noted the talks between Russian Defence Minister Pavel Grachev and the Chechen leader had brought about certain changes for the better. "The unreasonable events that occurred a few days ago should not be repeated", Kondratyev stressed. "There is no need to send Russian guys there to fall on the field of battle. Chechens should put an end to the bloodshed on their own", he added.

According to the deputy minister, "the Russian president and government should find a political solution to the Chechen problem at the level of the entire country". He found it difficult to give the exact death toll among Russian servicemen during the recent opposition assault upon Groznyy.

Defense Ministry Plans Special Units for Chechnya

LD0912104194 Moscow Ostankino Television First Channel Network in Russian 0752 GMT 9 Dec 94

[From the "Novosti" newscast]

[FBIS Translated Text] In spite of the searches for peaceful ways out of the Chechen crisis over the last few days, armed gangs are continuing to arrive on the territory of Chechnya, according to an ITAR-TASS report. The Russian Federation Ministry of Defense assesses this as interference in Russia's internal affairs. Taking this into account, the leadership of the Russian military department adopted a decision to form by 25 December a sizable swift reaction group from units of the North Caucasus military district and subunits of the airborne assault troops deployed here in order to isolate Chechnya and to prevent penetration of its territory by armed gangs.

Duma Ask Yeltsin To Address Nation on Chechnya

LD0912112394 Moscow ITAR-TASS in English 1057 GMT 9 Dec 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow December 9 TASS—A group of deputies of Russia's State Duma representing democratic factions in the parliament house sent a telegramme to President Boris Yeltsin on Friday [9 December] asking him to appear on the national television to set out his stand on the ways to solve the Chechen crisis.

Deputies say Yeltsin's televised appearance is needed as they utterly lack knowledge about the steps the Russian president may shortly take regarding Chechnya, and they receive ever more information about the preparation for an armed invasion of Chechnya.

"We believe that if troops are sent into Chechnya, you personally will bear the responsibility for the blood spilt, and the democratic system existing in Russia will turn into a police system. You will lose the support of millions of Russian citizens who are for Russia's peaceful democratic development," the telegramme says.

Among the telegramme's signatories are members of Russia's choice faction Sergey Kovalyov, Lev Ponomaryov and Pavel Bunich, representative of Yabloko faction Viktor Sheynis, member of the December 12 Liberal Democratic Union faction Irina Hakamada and deputy Ella Pamfilova.

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Ingush Official Urges Chechens to End Discord

LD0912132194 Moscow INTERFAX in English 1139 GMT 9 Dec 94

[FBIS Transcribed Text] Ingushetia's representative in Groznyy, Hajibekir Uruzkhanov, urged the people of Chechnya to "stop their internal squabbles without delay to prevent Russian troops from being deployed there."

"The fundamental stand of Ingushetia's leadership is that peace should be gained in Chechnya," he said in a televised statement.

Chechen TV also broadcast appeals from Russian-speaking groups and representatives of the Russian-speaking population to Russia's president. People express their fear of war and point to the inadmissibility of air strikes on residential areas, said INTERFAX's correspondent.

TV channels also present polls among participants in the rally in support of independence, which has continued in Groznyy for three months with small intervals. Respondents warn against trusting Russia's Defence Minister Pavel Grachev, and call for being prepared to rebuff an aggression.

In addition, funds for defense needs are being collected in Groznyy's central square.

According to INTERFAX's correspondent, the local population brings food to ensure normal meals for Chechen troops. In the past four days alone over 300 [metric] tonnes of meat have been received from the local people, the Chechen army headquarters told INTERFAX.

According to the same sources, volunteers from North Ossetia, Daghestan, Kabardino-Balkaria and Ingushetia continue to offer their aid in defending Chechnya.

Chechnya's Dudayev Offers To Resign If Conditions Met

LD0912131294 Moscow INTERFAX in English 1139 GMT 9 Dec 94

[FBIS Transcribed Text] President Dudayev told newsmen in Grozny that he would be ready to resign "three days from now" on the condition that the Chechen Republic is internationally recognized and that Chechens are given safety guarantees.

Addressing Moscow's demand for pre-term elections in Chechnya, Dudayev said he "would have to be a complete idiot to agree to hold pre-term elections now, when Chechnya has come under attack."

If the two preconditions for his resignation are met, he will resign feeling that he has done a good job and "could even shoot himself to stop being an eyesore."

Asked whether he would like to meet with Boris Yeltsin, Dudayev said he was not anxious to see the Russian president but that duty could move him to see even the devil himself.

Stepashin Rebuts Speculation on Chechnya Policy Change

MM0912112394 Moscow ROSSIYSKIYE VESTI in Russian 9 Dec 94 p 1

[Report by Sergey Ovsiyenko on interview with FCS Director Sergey Stepashin in Mozdok; date not given; published under "Hot Spots" rubric: "Sergey Stepashin: There Will Be No Sudden Change in Russia's Policy on Chechnya"]

[FBIS Translated Text] Mozdok—Answering a ROSSIYSKIYE VESTI correspondent's question as to what the Security Council had decided on the situation in Chechnya, Russian Federation FCS [Federal Counterintelligence Service] Director Sergey Stepashin stated that he had come to Mozdok to implement the Security Council's decisions, which are to establish constitutional order on Russian territory.

[Ovsiyenko] The latest talks between Grachev and Dudayev have made the Chechen opposition extremely wary; it is assuming that Russia is going to make a big change in policy on Chechnya....

[Stepashin] I said nothing of the kind; it is a question for those who made such statements, including on Shumeyko's statement. The point is that Vladimir Filippovich [Shumeyko] said something different. His statement was incorrectly reproduced in the mass media. Speaking in the Security Council, Shumeyko again stressed that as chairman of the Federation Council he has always believed that the implementation of the Russian Constitution on Russian territory is a prerogative of the Legislative Branch. From this it follows that there will be no sudden change in Russian policy on Chechnya. The ideology behind the Security Council decision is that there is no war between Russia and Chechnya, but there is a problem of disarming the illegal military formations which exist on Chechen territory. Neither Boris Yeltsin, nor Viktor Chernomyrdin, nor any other Security Council members have or will have any other position on Chechnya. As regards the legislative branch's decision on Chechnya, that is their problem.

Shakhray: 'Impossible To Withdraw From Chechnya'

MK0912083094 Moscow SEGODNYA in Russian 9 Dec 94 p 2

[Report by Aleksey Kirpichnikov in the "Chechnya" column: "Six Russians Died in Storming Groznyy. This Count Was Made by Sergey Shakhray, 'Vice President for Lumps'" ["po Shishkam"]]

[FBIS Translated Text] "In storming Groznyy, six Russian military servicemen were killed," Vice Premier Sergey Shakhray told a press conference organized during a closed discussion of the Chechen issue. According to Shakhray, Russians manned 26 tank crews—78 men—and another four took part in the

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operation apart from the crews. Sixty-two servicemen are in the hospital, returned to Moscow on their own, or were taken out by deputies. Of the remaining 20, according to Shakhray, 14 are in captivity, and therefore six can be presumed dead. They can be called volunteers or mercenaries, the vice premier stressed, but in Chechnya they defended Russia's interests.

Touching on ways of resolving the Chechen question, Shakhray confirmed his well-known position which he presented at closed sessions of the State Duma and the Federation Council. First, disarmament of parties to the conflict (by force if need be); then socioeconomic rehabilitation of the Republic, creating conditions for elections and a referendum on the constitution of the Chechen Republic; and finally, negotiations with the Federation on demarcation of powers. All this, according to Shakhray, is a matter of more than just one year.

But, the vice premier believes, it is impossible to withdraw from Chechnya, an indisputable Federation component, and should such a decision be made, he will himself go to the mutinous republic to "dig trenches around his home village." Dzhokhar Dudayev's power is illegitimate, and negotiations with him should be conducted not as with a president but as a "party to the conflict." The legal foundation for resolving the crisis should be Boris Yeltsin's message and articles of the Russian Constitution on illegal armed formations and the integrity of the country.

Sergey Shakhray was critical of the tactic of ignoring the Federal Assembly houses, which is demonstrated by the Executive Branch on the Chechen issue, and of "the third round of peacemaking activity" in which various politicians, including Pavel Grachev, have set out in search of laurels. The vice premier believes that Russia's problem is not the absence of a national policy toward Chechnya but a multitude of such policies. The only party that has benefited from the uncoordinated actions by federal authorities, according to Shakhray, is Dzhokhar Dudayev with whose assistance first "Barannikov and Gorbachev tripped up Yeltsin and Rutskoy," and who himself cleverly leaned on Ruslan Khasbulatov, then on Boris Yeltsin's entourage; and who now promises communists and patriots to restore the Union; to democrats, he promises human rights; to Muslims, a theocratic state, and so forth.

Responding to questions about sharing vice presidential powers with Nikolay Yegorov, Shakhray noted that Yegorov was appointed "vice premier on Chechnya," which is necessary to ensure on-site coordination of power structures. As for himself, Sergey Shakhray said he was a "vice president for lumps," which he gets for the decisions for which he was not responsible.

Rising Caspian Seen as International Problem

MM0912102094 Moscow SELSKAYA ZHIZN in Russian 8 Dec 94 p 7

[Article by Yuriy Yudin under the "Emergency Situation" rubric: "People and the Caspian"]

[FBIS Translated Text] Republic of Kalmykia—The weather in these parts changes unexpectedly. Right after a glorious period, you get a wind blowing up, flinging sharp sand from the semidesert into your face. And if it is an east wind, look out: The shallow northern Caspian becomes absolute hell!

This time the sea was raging, sending steep, frothy waves onto the shore, breaking and knocking down five-meter-tall reeds, and forcing water through impassable thickets toward the steppe depressions, hollows, and shallow channels.

This was dreadful. The wind would not abate, and the sea would inundate vast areas, destroy houses and livestock units, and flood agricultural land. In such a situation people both young and old rise to defend themselves against the water.

The first to enter the terrible skirmish, as a rule, are the inhabitants of the center of Kaspiyskiy Rayon—Lagan. A little town first appeared on a small island here approximately a century ago and only later became a refuge for fishermen. Boats from Lagan would sail to Astrakhan and back.

Then the level of the Caspian fell, and the town extended its boundaries and built districts of multistory blocks, a machine-building plant, a meat-canning combine, a fish combine, schools, and a hospital. With time people grew bolder and descended closer to the water from the heights. The sea had quite gone away. In order to have an outlet to it from Lagan, a 40km canal had to be dug!

But some 10 years ago the Caspian suddenly thought, as it were: "Where am I retreating to?" It decided to reclaim the lost area. The water level began to rise, and coastal population centers were faced with a real threat of complete inundation and destruction. Now, with an east wind, the sea makes devastating inroads.

Today was the latest attack. All militia personnel, municipal and construction services, specially formed civil defense detachments, and volunteers responded to the alarm in the rayon center.

The city was divided up into squares. Earthen dikes and banks were raised now here, now there. They are supposed to hold back the onslaught of the water and not let it get any further. But the level kept rising. While Rayon Head K. Bembeyev and A. Shakuyev, chief of the republic department for problems of the Caspian, were touring the most dangerous places in all-terrain vehicles, the water rose more than a meter. Some of the bulldozers, scrapers, and trucks of the road construction section, the mobile mechanized column, the motor vehicle enterprise, and the agro-industrial service were building a dam, while the rest of the equipment stood in combat readiness.

"On no account must we take our eyes off Portovaya and Zarechnaya Streets," Bembeyev exhorted. "If we overlook something or make a mistake, all is lost."

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These streets are in the lowest section. They suffered particularly from the elements last April. The picture is still before our eyes: The water rushing through yards, sheds toppling, cows bellowing crazily, a dog whimpering on a leash. And people in tears.

At that time many buildings on Portovaya and Zarechnaya Streets collapsed. Their shells are still standing. But it was April at the time, and a few days later warmth arrived, an early summer. But today it is already December, winter....

The water had reached the two-meter mark. And it was rising all the time. By the end of 24 hours it had risen to a critical level—2.92 meters. Who would win? One more wave, one more splash, and a tiny channel was cut through an unstable earthen dam. A little stream through a narrow groove.... And then a gully!

"Faster! Faster!"

Dump trucks were tipping up their loads and heavy earth was falling. Insecure places were being filled in in one place by a bulldozer, in another with shovels. The danger seemed to be over.

After rushing around the most dangerous sections, we returned to Portovaya and Zarechnaya Streets. Here too there was a deafening roar of motors. The dikes constructed earlier were continuing to be built up and reinforced. They were already over 3.5 meters high. This meant that we could hope for something better.

By the middle of the second day the water had stopped rising in the city—the wind had changed direction slightly. But a danger arose for the villages lying 20-30 km from the rayon center. Indeed, a few hours later the wind-whipped sea was inundating hundreds and thousands of hectares of agricultural land and in many places washing away the Lagan-Astrakhan road. It was reaching the villages of Dzhalykovo and Krasinskoye along old shallow channels. They had suffered more than others at the time of the raging of the elements in the spring.

People had been struggling unceasingly against the sea for 36 hours. They were all exhausted, worn to a frazzle. But they did not disperse and go their separate ways but smoked and recalled the ups and downs of the struggle. This time the losses proved somewhat less than in April. The lesson had been learned—they had constructed dikes and begun building houses on elevated sites. Much had been done by enterprises themselves and by organizations for protection against the elemental sea. The federal government had allocated considerable amounts of money. True, far from all of that money has yet been received. But hopes have not been lost.

And yet, and yet! Man and the sea—these forces are just too unequal. The sea is advancing, taking away from man that which he has created over many decades and even centuries. The problem concerns not only Russia and Kalmykia but all coastal regions—Kazakhstan, Turkmenia, Azerbaijan, Iran. Scientists have actively set about the quest. Some propose constructing a dike along the coast, others propose surrounding only population centers with banks and dikes, and yet others regard it as most important to clear out the shallow channels so that, after the wind dies down, the water driven by it quickly drains back into the sea.

But one thing is clear even to me, a stranger to hydrology—the Caspian has become an international sea in the full sense of the word, and it is necessary to resolve the common problem of its rising level together, not to the detriment of our neighbors' interests.

Kuchma, Bulgaria's Zhelev Meet Press Following Talks

LD0812234794 Moscow ITAR-TASS World Service in Russian 1908 GMT 8 Dec 94

[By UKRINFORM correspondents Maryana Angelova and Aleksey Petrunya for TASS]

[FBIS Translated Text] Kiev, 8 Dec—Ukrainian President Leonid Kuchma described the talks he held in Kiev with Bulgarian President Zhelyu Zhelev as fruitful and frank. He said this today after the ceremonial signing of joint Ukrainian-Bulgarian documents in the Mariinskiy Palace.

"We found mutual understanding on practically all matters of bilateral relations and international problems," the Ukrainian president said. He stressed that while there are no problems between the two states in the political field, the level of development of their economic relations does not correspond to their potential. Among other things, contacts in trade and in the mutual supply of necessary raw materials and goods could be more fruitful. "Ukraine and Bulgaria's common concern is gas supplied by Russia," Leonid Kuchma said. "The alarming situation which arose recently as a result of interruptions to deliveries was one of the subjects we discussed."

The Bulgarian president said that "a good basis for the development of our relations in all areas was created when we signed a widescale treaty in 1992." In his opinion, the current visit will give those contacts a new impulse.

Ingush Parliament Demands Removal of Administration Head

LD0712151194 Moscow ITAR-TASS in English 1304 GMT 7 Dec 94

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Transcribed Text] Nazran December 7 TASS—The Ingush parliament believes that it is necessary to dismiss Vladimir Lozovoy, the now [as received] head of the temporary administration which rules part of territories of North Ossetia and Ingushetia, and transfer the

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administration headquarters directly to the North Ossetian Prigorodnyy region. This was declared in a telegram sent today to the Russian president and the speakers of the State Duma and the Federation Council.

The telegram contains criticism of Lozovoy's activities pertaining to the return of deported people to their former residential places and the stabilisation of the situation in general. Chairman of the Ingush Parliament Magomed Sultygov [name as received] believes that Lozovoy's activities heighten tension in the region and have led to the creation an explosive situation in the area where a state of emergency is in effect.

Meanwhile, the return of deported Ingush families to places of their former residence has been suspended, ITAR-TASS learned from the Ingush state committee for affair of refugees and forcibly resettled people.

Peacekeeper Status Confirmed in N. Ossetian Conflict

LD0812185694 Moscow ITAR-TASS in English 1940 GMT 8 Dec 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Transcribed Text] Vladikavkaz December 8 TASS—A session of the quadripartite commission on North Ossetian settlement, which ended in Moscow on Thursday, resulted in signing two important documents, on confirming peacekeepers' status in the conflict zone and on refugees return to the area, said Georgi Kozayev, head of the North Ossetian delegation and first vice premier of the Republic.

All economic infrastructure must be restored in the region, Kozayev said, and refugees and forced migrants should come home.

"People are tired of war. South Ossetia and Georgia must settle all the disputes at the negotiating table. Use of force is a dead end", Kozayev said.

Udmurtia Adopts New Constitution

LD0712154494 Moscow ITAR-TASS in English 1355 GMT 7 Dec 94

[By ITAR-TASS correspondent Alfred Artamonov]

[FBIS Transcribed Text] Izhevsk December 7 TASS—The parliament of central Russian Republic of Udmurtia adopted at Wednesday's [7 December] session the Republic's new constitution.

Under the Constitution, the supreme representative and legislative power in the republic is vested in Udmurtia's State Council. The new constitution also states the rights, liberties and duties of citizens, provides for separation of powers between the federal and republican bodies of government, lays down the principles of local government.

Next week, Udmurtian lawmakers are expected to pass laws on the State Council and elections to it. According to preliminary information, these elections will be held next March.

Samara Introduces 'Unprecedented' Tax on Non-Russians

LD0812223494 Moscow Mayak Radio Network in Russian 1612 GMT 8 Dec 94

[From the "Panorama" program]

[FBIS Translated Text] The Samara City Duma has ratified temporary regulations on registering citizens in Samara who are permanently resident outside the Russian Federation but within the borders of the former USSR or do not have a permanent place of residence. Here is Aleksey Giryabin, Mayak's own correspondent, with the details:

[Giryabin] I cannot recall ever seeing a document like it. Here is the gist of it. Henceforth, citizens arriving in the city for longer than 24 hours, whether on holiday, on a visit, for medical reasons, on a business trip, or for engaging in business or other activities are subject to registration. They must register within 24 hours in the area where they are actually staying, whether that be a hostel, hotel, sanitorium, or private apartment. A special point establishes that citizens must pay a tax of one-fourth of the minimum monthly wage for every day of their stay into the account of the Samara Directorate of Internal Affairs. This money will go into the pocket of the city militia. Although these regulations have officially been created in order to step up maintenance of public order and citizens' personal security and to prevent and cut short crimes and administrative offenses, in practice they free the hands of the local custodians of law and order once and for all.

I quote: Where necessary, citizens violating the registration procedure may be brought to the internal affairs agencies to register materials on the legal violations—sweet and simple. There is no mention here of guaranteeing human rights, while there is provision for maximum liability for violating the registration regulations. For remaining more than 24 hours without registering, visitors to the city may be punished by a warning, a fine amounting to 10 times the monthly wage, or by simply being expelled from Samara at their own expense. So that is the document.

Visitors from the south or from the Central Asian republics, who are in Samara in large numbers—after all, no visa regulations or border controls have yet been introduced on the Russian border—are shocked. This is unprecedented. In all probability they will compensate for their outlay on registration tax by raising food prices. And is it really moral to regard every former fellow countryman from the former USSR as a potential criminal and lawbreaker? It goes without saying that many of the points in the document do not, to put it mildly,

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accord with the Russian Constitution, which speaks of freedom of movement and freedom of place of residence.

Tula Oblast Enterprises Thriving on Increased Exports

MM0912103194 Moscow SELSKAYA ZHIZN in Russian 8 Dec 94 p 2

[Unattributed report: "Window on the World"]

[FBIS Translated Text] In the last few years Russia's foreign economic activity has changed appreciably. Whereas in the days of the state's exclusive monopoly on imports and exports the oblast authorities effectively had no role in it, following the Russian Federation presidential edict "On the Liberalization of Foreign Economic Activity in the RSFSR" the oblast administration has acquired new opportunities. First a committee was set up within the oblast administration, then a department for foreign economic and international ties.

Today Tula Oblast is 26th out of Russia's 89 exporting regions, leaving behind Yaroslavl, Leningrad, Ryazan, Kursk, Lipetsk, and other oblasts. The oblast budget's main source of hard-currency revenue is the export of ferrous metals, chemicals, and machine-building and metal-working products. The people of Tula sell pig iron, ferromanganese, ferrovanadium, ammonia, ammonium sulfate, and ammonium nitrate as well as scooters, motorcycles, hunting guns, samovars, vacuum cleaners, and other commodities.

The oblast's main exporters are "Tulachermet," the "Kosogor Metallurgical Plant" Production Association, the "Tulamashzavod" Joint-Stock Company, the "Tula Gun Plant" Joint-Stock Company, the Aleksin Chemical Combine, etc. They maintain foreign economic ties with 75 countries—mainly Germany, the United States, Japan, Switzerland, etc. Within the past nine months the oblast's industrial enterprises have exported goods worth $282 million—180 percent up on the same period last year.

Work is also under way to set up joint enterprises. Today the oblast has 101 of them, including 62 involving partners from the far abroad. This year joint enterprises manufactured output and provided services worth 80 billion rubles.

An investment program has been formulated incorporating 62 projects for 17 enterprises in the oblast. Four Tula enterprises' projects are being considered for inclusion in Russia's investment program.

Budget Committee Secretary Discusses Defense Budget

WS0912125594 Kaliningrad STRAZH BALTIKI in Russian 24 Nov 94 p 1

[Interview with Aleksandr Zaytsev, secretary of the Russian State Duma Committee for Budget, Taxation, Banks, and Finances, by A. Lobskiy; place and date not given: "Budget Is the Highest Form of Politics"—first paragraph is STRAZH BALTIKI introduction published in boldface]

[FBIS Translated Text] **Budget is the highest form of politics, because budget articles define priorities not in theory, but in reality, Aleksandr Zaytsev, secretary of the State Duma Committee for Budget, Taxation, Banks, and Finances, claims.**

[Lobskiy] Aleksandr Nikolayevich, what is the goal of your visit to the Baltic Fleet?

[Zaytsev] During debate on the 1995 budget in the State Duma, our committee will have to make decisions regarding all articles of the draft budget proposed by the government. Of course, there is little money in the state coffers, and it is already clear that it will be impossible to meet all the demands. However, many deputies think that the government underestimates the threat to Russia's national security, which has been brought about by extremely inefficient financing of the Army, Navy, and the defense complex as a whole. This is manifesting itself with extreme clarity in the Baltic Fleet, which has suffered irreparable losses, having abandoned modern ship repair plants and thousands of social facilities in the Baltic republics. All this must be reimbursed within a short period of time. The interests of Russia, as a great maritime state, require this. To achieve the goals we have set, additional funds are needed. We have proposed, and we are advocating the idea of financing the Navy through a separate provision of the budget, and not through the Defense Ministry. The primary thing, however, is to convince the majority of deputies that defense expenditures proposed by the government do not satisfy the minimum requirements. By the way, we have managed to increase this year's defense budget by 3 trillion rubles. Still, various payments for servicemen are not being paid in time, and there is no money to build houses, finance the development of modern types of equipment and weapons, and pay for electricity and municipal services. I believe that we will manage to convince deputies that the defense expenditures proposed by the government must be increased.

To allot money is not the only way to resolve this problem. This year the government has failed to take an entire range of measures aimed at overcoming the financial crisis in the Armed Forces and the defense industry. For example, a nonbudget fund for defense has not been established, loans for defense have not been granted, nor have bonds been issued. On the other hand, delays in payments of monthly allowances for officers, which are defined in specially protected articles in addition to supplies of food and goods, are the fault of the Ministries of Finance and Economy.

[Lobskiy] Your committee has direct influence not only on the process of adopting the budget, but also on implementing its articles which are already in force.

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Many of them are not being implemented due to a lack of money, including articles from the "defense package."

[Zaytsev] There currently exist several draft amendments to the "Law On the Status of Servicemen," and it is hard to say which one will be adopted. All of them, however, proceed from the presumption that the current law is completely inadequate given the current financial conditions. Although all the drafts are aimed at preserving a majority of social guarantees for servicemen, they also provide for a mechanism for preventing spiraling inflation. For example, although they provide for preserving 20 basic pays in case of release to the reserves, certain drafts envision the right to use them for strictly defined purposes (construction of houses, payments for municipal services, etc.). Other drafts propose a system of deposits or accounts with the right to use them after a certain period of time. All these proposals are being thoroughly examined.

As a deputy, I am not only concerned over financial or budgetary problems. New legislation "On Defense" has recently been drafted, and I do not agree, for example, that according to it, servicemen are prohibited from dealing with politics not only in units or ships (which is quite reasonable), but also after their service.

[Lobskiy] How many supporters do you have, with regard to the problems about which we are talking?

[Zaytsev] Speaking of "we," I primarily have in mind the faction of the Communist Party of Russia. We have many supporters among the Agrarians, the "Yabloko," and other factions. With regard to many issues, we find understanding even with the pro-government "Russia's Choice," since any decent man cannot but be concerned over the fate of the Armed Forces, that is the fate of our fatherland.

[Lobskiy] You have not mentioned the Liberal Democratic Party of Russia...

[Zaytsev] My personal opinion is that there is no such party, thus, there is no such faction either.

[Lobskiy] Could you say a few words about yourself?

[Zaytsev] I come from a family of officers. My military rank is colonel. I also have direct connections with the Navy—my ancestors were commanders of the Kronshtadt garrison.

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International Affairs

Kuchma Gives Post-CSCE News Conference

LD0812205594 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 7 Dec 94

[President Leonid Kuchma news conference on 7 December in Kiev—recorded]

[FBIS Translated Text] As you already know, the meeting between the heads of state and government of the Conference on Security and Cooperation in Europe member states in the capital of the Republic of Hungary has concluded. The delegation of Ukraine in Budapest was led by President Leonid Kuchma. Apart from him, our delegation included Foreign Affairs Minister Hennadiy Udovenko; Presidential Administration Head Dmytro Tabachnyk; Presidential Security Council Secretary Volodymyr Horbulin; Borys Oliynyk, Supreme Council Foreign Affairs Committee chairman; and Deputy Defense Minister Ivan Bizhan.

In Kiev on 7 December, Leonid Kuchma held a news conference on the results of the Ukrainian delegation's participation in the conference's work. The details are in our report on this event:

[Unidentified official] Good afternoon. The subject of today's news conference is the results of the Budapest summit and the signature of the memorandum on security guarantees for Ukraine. As you know, the president of Ukraine earlier made a number of visits and held top-level bilateral negotiations. There was a summit of CIS leaders in Moscow. And now, the first multilateral meeting at an all-European level has taken place, with this first multilateral meeting attended by a Ukrainian delegation, with the president at the head. So Leonid Danylovych [Kuchma] will tell you all, including the assessment of this meeting's outcome and the issue of the memorandum on security guarantees for Ukraine signed.

[Kuchma] Thank you. The activity of our delegation focused on three main points:

—The issue of the CSCE: The principal result of the Budapest summit was a decision to give a fresh political and organizational impetus to CSCE activity, which, in particular, was reflected in a change with effect from 1 January 1995 in its status from the Conference on Security and Cooperation in Europe to the Organization for Security and Cooperation in Europe. The leaders of the member states agreed that this organization should play the leading part in stability and security on the continent. It was confirmed that the CSCE's democratic principles were determinant in achieving the goal of establishing the community of nations, without any new or old divisions, with full respect for the sovereign equality and independence of all countries, and without any spheres of influence. The final document of the Budapest meeting was also passed by a consensus.

—The issue of the memorandum on security guarantees for Ukraine signed; For Ukraine, it was the most important issue alongside participation in the summit. And I can tell you today that our delegation fulfilled the task that was set for us by the Supreme Council of Ukraine decision of 16 November to accede to the [nuclear nonproliferation] treaty [NPT].

Here is this memorandum. The leaders of the four states—Ukraine, the United States, Great Britain, and Russia—signed a memorandum on security guarantees for Ukraine, whereby the three nuclear states, in particular, confirm their obligation to respect the independence, sovereignty, and existing borders of Ukraine; to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine; and never to use any of their arms against Ukraine, except for the purposes of self- defense; to refrain from economic pressure on Ukraine; and to demand immediate action from the United Nations Organization Security Council if Ukraine falls victim to an act of aggression or becomes the object of a threat of aggression with the use of nuclear weapons.

Apart from that, the memorandum provides for the mechanism of consultations between the four states if a situation emerges which affects the obligations undertaken by these states under the memorandum.

This step has no precedent in modern international relations. It initiates a new stage in the process of nuclear disarmament.

We also note that the memorandum signed by the presidents of Ukraine, Russia, the United States of America, and the prime minister of Great Britain conforms to the requirement of Paragraph 6 of the law of Ukraine of 16 November 1994 on the accession of Ukraine to the NPT.

This is a unique document of international law that sets down the nuclear states' obligations with regard to the national security of Ukraine fully in line with the universally acknowledged principles of international law and provisions of the Charter of the United Nations Organization.

Accordingly, we handed to the depository states the instruments on the accession of Ukraine to that treaty, which, in turn, enabled us to effect a procedure there in Budapest of the exchange of the START-1 treaty ratification certificates by the presidents of six countries, which opened the way for the ratification by the United States and Russian legislatures of the START-2 treaty and further considerable reduction of those two states' nuclear arsenal.

In the course of our work in Budapest, we received information that the government of the People's Republic of China made a statement regarding their national security guarantees for Ukraine as a nonnuclear state.

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We thus have international legal guarantees of the security of Ukraine from all United Nations Organization Security Council nuclear member states.

It should also be noted that in the course of the Budapest summit, the leaders of four states—Ukraine, Great Britain, Russia, and the United States—adopted a joint declaration on European security. It voices determination to promote the building of security on the basis of political partnership and cooperate in the development of a security system which would embrace all CSCE member-states in an indivisible Europe. The fact that Ukraine together with the leaders of three nuclear states adopted a declaration on an issue of such political importance is also unprecedented. It testifies to the fact that the world's most influential nations are increasingly aware of the role played by Ukraine in the decision-making on fundamental issues of all-European and world significance.

Bilateral cooperation—Our delegation worked very hard on the development of bilateral cooperation, and personally, I held 21 meetings with state leaders. Those included a trilateral meeting with the presidents of Poland and Belarus, Walesa and Lukashenka, during which we discussed issues concerning improvement of regional cooperation. The key issues discussed in the bilateral meetings were those concerning improvement of bilateral ties between Ukraine and these countries, particularly in the context of the reforms underway in Ukraine. Considerable understanding and willingness to extend support and genuine assistance to Ukraine in the implementation of reforms was expressed by Germany, Canada, the Netherlands, Great Britain, France, and others states during my meetings with their leaders. The day before yesterday, EC ministers of economics and finance finally approved a decision to grant 85 million ecu in aid of economic reforms in Ukraine. All these and other problems were the subject of my talks with the leaders of European Union member states.

To sum it up, I would like to say that the delegation of Ukraine fulfilled its chief task in Budapest. Of course, I mean the signature of the documents under the law of Ukraine on accession to the NPT. It is now up to all states to fulfill the obligations undertaken in connection with this as consistently as this is done and will be done in future by Ukraine. I would also like to thank all experts of the Foreign Ministry and our embassy in Budapest for their fruitful work, and also our Supreme Council, whose decision to join the Nuclear Nonproliferation Treaty in fact made this Budapest summit and the signature of security guarantees possible. Thank you. The floor is open to questions.

[Devi Arkadyev, Radio Liberty, Russian service] Mr. President, what were your feelings in Budapest when you put your signature to the document on nuclear nonproliferation? Second, what are your feelings at home, what steps are you going to take, seeing that the confrontation between the executive and legislative power structures is deteriorating? Finally, are you going to the football game tonight?

[Kuchma] I think you saw on my face on television what I was feeling, could you not? I think you well understand what tremendous work has been done for this to happen. If anyone here thinks that it was simple and all it took was the Supreme Council's decision, I want to tell you that you are wrong. Even early into the CSCE meeting, our delegation finished work at 4:30 in the morning. I am talking about the treaty... [pauses] the memorandum on security guarantees.

The fact that this happened—and I would like to say without exaggeration that this is an historic event of great importance—some may say that I am exaggerating, but I can tell you that I am not—this is an historic event where such countries as the United States of America, Russia, and Great Britain put their signatures to the memorandum, with France also joining them.

As regards the relationship with the Supreme Council, I will keep saying to them: guys, let us not (?play games), because this is the only way we can keep our promise to the people and have the world reckon with us. I am also confident that my meetings with the leading nations of the world and, above all, European nations were possible because of the reforms we are carrying out—not declaring, but carrying out. And the world is ready to extend its hand to us. If we do not take advantage of this, at least I will know it is not my fault. And if anyone wants to take this responsibility, go ahead and do it. But I would not recommend that anyone do that. Therefore, the task of the president, his administration, and the executive authorities is to reach rapport in this great thing we are building.

As for the football game, I was told today that the leading coach of the Dnipro club and the leading players are being taken over by Kiev. So how am I going to face them at the game? [Laughs] No, I am not going there. We have agreed that one representative of the government, the prime minister, will go there.

[Oleksandr (?Sukhiv), PRAVDA UKRAINY]. Leonid Danylovych, a delegation of Iranian parliament members is visiting Ukraine, and many of them are saying that we should honor agreements signed earlier. One of these agreements envisaged that Ukraine was to receive oil from Iran from January of this year in an amount equal to what we used to consume as part of the Soviet Union. But, as you know, we are not getting one drop of oil from Iran due to the fact that construction of the oil terminal is unfinished. The situation regarding the construction of the terminal and its delay is well-known, and everybody agrees that this is an issue crucial to Ukraine's independence. What is your opinion of the situation and why is it that you, as the head of state, cannot put a full stop to this story?

[Kuchma] Thank you. Well, if anyone wishes to supply us with oil, I will make arrangements for it to be

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received. We have sufficient facilities for substantial amounts. [words indistinct] But it is true that a modern terminal has to be built, and I have already voiced my opinion on that. I will do my best to get this terminal built. As for putting a full stop to it, we are moving along the path of democracy, and I am not going to force a full stop to anything. But I also want the president and the executive authorities to have the tools for decision-making in the interests of the state, and this is why I have submitted an interim constitution to the Supreme Council. As soon as this law is passed, I think the executive authorities will have the tools to put full-stops.

[ZA VILNU UKRAINY correspondent, name indistinct] Mr. President, the Budapest memorandum has been signed, but what is the mechanism of its implementation? Here is an example. Suppose there is a leadership change in Russia, and Yeltsin is replaced by another president—say, Rutskoy—who refuses to honor the memorandum. What then? Another question. Russia presented a special view at the summit on the so-called protection of its ethnic communities across the entire CIS, as well as on Europe and the conflict zones. What is the opinion of the Ukrainian leadership regarding this stance expressed by President Yeltsin?

[Kuchma] Thank you. I would like you, too, to give me an honest answer to the question I asked you last time. Did you read it to the end? Do you agree with me?

[Correspondent] Partly.

[Kuchma] I understand, and you understand very well that it is first of all a political document. But the fact that this document was signed, as Borys Oliynyk said yesterday, in the presence of 52 countries of the world is an obligation in itself, taking into account all international agreements and the main organization involved, the United Nations. Whatever may happen, I am sure that Yeltsin will not be replaced by Zhirinovskiy. I am sure of that.

As regards Yeltsin's stance on NATO, I think the president of Russia had to express his attitude to [word indistinct] this organization, just as the president of the United States expressed his vision. And the fact that they have differences over it, I think [words indistinct]. And I think this is why the CSCE has turned into the OSCE, an organization which instead of being an advisory, consultative role, will have the tools to exercise influence. This is what this distinguished organization must work on in the first instance. Because we see what is happening in Europe, particularly in Yugoslavia. There is no other alliance that can (?stop it). But all of us must work hard not to divide Europe into two Europes, as during the Cold War. This is everybody's task. I also do not want Ukraine to become a sanitary border between the West and East. [Sentence indistinct] So let us work on it. [passage indistinct]

[Unidentified correspondent] Mr. President, before putting a question to you please allow me to make a comment—that we can see you on television, although I would not like to offend those who were filming or those who showed it on television—but because of them, next time we probably would not know that you had travelled to Budapest. And now the question: The Supreme Council has adopted a list of enterprises that cannot be privatized. Does this mean that it has suspended its own moratorium on large-scale privatization, and if this moratorium is not removed, then how will you act in respect to speeding up large-scale privatization? The second question: Our former president [word indistinct] expressed the view yesterday that the memorandum does not guarantee Ukraine's security and that it reflects only those provisions contained in the UN and CSCE charters. What are your views on this?

[Kuchma] Did he propose something?

[Correspondent] He did not propose anything; he said if he had been in Clinton's place, he would not have signed it.

[Kuchma] It is very good that he is not in Clinton's place. Clinton is in his own place and Kravchuk in his own. I am also in my own place. I would like to agree with your remark on the work of our television. I was personally disappointed because the last few days were our armed forces day, and when there was a marvellous concert in the Sports Hall, a marvellous concert, why not show our people that we have... [pauses] the concert was [words indistinct].

With regard to the decision by the Supreme Council regarding the list of enterprises, I know that the first list had been agreed upon by the Cabinet of Ministers, but as far as I know, the list of enterprises of the military industrial complex and the bread processing industry which I issued [?verbally] were added to that list. Please tell me—one third of fixed assets belong to the military industrial complex? Please tell me, if today this complex is working at 10 percent capacity, then what are they proposing? Please tell me. On the contrary, they should be privatized first. There should be a few enterprises in the military industrial complex that work for the military because that is their task. Unfortunately that is what we have.

[Correspondent (?Levytskyy) of NASHE SLOVO] [question indistinct: about the CSCE conference in Budapest]; and the second question: the draft law on power that you have submitted has given rise to [word indistinct] emotions. What is the limit of compromise [words indistinct] in order to adopt it?

[Kuchma] The issue of Bosnia-Herzegovina was raised there and so was the issue of Nagornyy-Karabakh. There were brusque speeches [words indistinct] Azerbaijan; there were many on the decision on Bosnia-Herzegovina on the part of Russia. You know that all the decisions at the conference should be adopted by a consensus. So there was no consensus. On the subject of the law on power and the possible retreat by the president, I am not

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prepared to give way on this because if I do, there will be no presidential power and there will be no need for a president.

[FILOSOFSKA I SOCIOLOGICHNA DUMKA correspondent] Mr. President, how much attention is your administration giving to the developments around Groznyy? Has the Ministry of Foreign Affairs ever offered to mediate in this conflict? What measures are being taken to prevent any kind of involvement on the part of Ukrainian citizens in this conflict? Thank you.

[Kuchma] I would like such issues as Crimea and Groznyy to remain the internal issues of the countries they belong to. Ukraine is not going to make any decisions concerning Chechnya. This is [words indistinct] Russia's affair. If our citizens are involved, I think we as a state should never turn our back on them and deal with the problem, as in the case of the pilot (?jailed) in Azerbaijan.

[Nova Mova television correspondent] Tomorrow marks the third anniversary of the formation of the CIS. I would like to hear from you, what your opinion of the CIS is. Is this another divorce procedure, or a movement toward integration, especially in the light of the CSCE becoming an organization open to all of Europe, creating tools for safeguarding peace and stability. How does the CIS fit in with the new all-European security system? And, if possible, could you give us more detail on your bilateral meetings with Major and Kohl? What has changed in the attitude of Britain, who, as we know, was opposed to granting aid to Ukraine? Thank you.

[Kuchma] I would welcome any union that is in our state's interests. You also know that there are many unions in Europe besides the CIS: the Visegrad Group and others. There is nothing wrong with it if it benefits the interests of the state. I have already said and would like to emphasize today once again that our relations with Russia and other former Soviet Union countries are a priority to our state. I would also like to underline that virtually all those I met understood very well the role of Russia in Europe (?today) from all standpoints, too, even pointing out that oil and gas are also supplied to Europe by Russia and so far there are practically no other (?sources). So if Europe reckons with this, Ukraine certainly has to reckon with this, too. And it is very unfortunate that there is only one source. It is dangerous. We must work both at home, to search for oil and gas that we have, and elsewhere, and that includes building the terminal. It is an important matter for Ukraine's national interests.

As for the bilateral meetings, to be honest, I did not expect such a turn of events with regard to the interest toward Ukraine. The prime minister of Great Britain [word indistinct] has been invited to visit Ukraine in the near future. He assured me that any differences between Ukraine and Great Britain, as well as the European Union, will be removed. This Saturday night there will be a meeting of EC countries in [word indistinct], and we will see what they decide at this meeting. Also, we held a very good meeting with the German chancellor. I was pleased to hear him say: Our relations with Ukraine and you, Mr. President, must not be tied in with our relations with Russia. These should be relationships of equal value.

I had a very good meeting with the prime minister of Italy, and I see the Italian ambassador is present here. He promised me that he would personally take care of Chernobyl problems. I would like to emphasize that at neither of the meetings did I hear or see any disrespect for Ukraine. On the contrary, there is great interest in seeing that the processes taking place in Ukraine today are truly irreversible, and that is the main thing. As long as they are irreversible, everything will work out fine.

[Iryna Pohorelova] Two questions, Leonid Danylovych, on foreign and domestic affairs. First: Can the president of Ukraine initiate Ukraine's renunciation of nonaligned status in the foreseeable future, considering what you said today? You also said at the parliamentary session that you do not understand the nonaligned status. My second question: Can you say confidently today that the government—that is, the Cabinet of Ministers—is fully in your control and that it carries out whatever the president decides? Thank you.

[Kuchma] Yes, indeed, it is my personal opinion that Ukraine cannot remain nonaligned. But I want Ukraine to take this decision only when it firmly stands on its own. It will take time for to fully grasp one's [word indistinct]. As for your second question, the answer is no.

I see the French ambassador here, and I must apologize. I was very pleased with my meeting with President Mitterand, not only because he signed guarantees of Ukraine's security, but it was also a very good and fruitful talk. And even when I said at the end that our Supreme Council ratified the treaty with France back in 1992 and France has not ratified it yet, he said that as of now, there will be no problem. So that is settled.

[Unidentified correspondent] Mr. President, how do you like the list of enterprises exempted from privatization examined today by the Supreme Council? Do you agree with the initiative of the cabinet, which proposed including oil refineries on the list? Thank you.

[Kuchma] Absolutely not. Who needs refineries that are idle because there is nothing to refine? The oil will come only if companies engaged in oil extraction get interested.

As for the list, in my view, this list should include only those enterprises without which Ukraine will not survive. Today, these are nuclear power engineering and conventional power engineering, although thermal power engineering should soon follow its own way. These are also enterprises that will indeed be engaged exclusively in arms manufacturing for Ukraine, as well

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as railways. But this list should be as short as possible; because, I want to reiterate, if anyone thinks that the state will support him if he stays on the list, he is wrong. Thank you.

[Unidentified correspondent] Answering a question from our colleague just now, Mr. President, you said no, you do not have total confidence in the Cabinet of Ministers. Can you please explain why you are discontent, shall we say, with the activity of the Cabinet of Ministers at present? Thank you.

[Kuchma] Well, I shall not [word indistinct]. So this is how I see it. I told you then that I came back from the United States of America and the gas was off. I came back from Budapest and the gas was still off. Nor was the issue settled with Turkmenistan in that time. So tell me please: Does the president have to deal with this?

You must by now know that many chemical and metallurgical enterprises and especially those down south have ground to a halt, and so have cement enterprises. But this is a technological cycle. So I would like—and this is set down in a draft of the law on power—to appoint and be accountable for the government. After all, I personally take responsibility in this particular case.

[Yuriy Kulikov, REUTER] When you, esteemed Leonid Danylovych, say that efficient mechanisms within the framework of the CSCE should be made available, does this mean that you have decided that Ukraine would actively participate in peacekeeping operations by international organizations? And does this mean that Ukraine will take part, for example, in the disarmament of the conflict in Abkhazia? And the second question: Everybody in Ukraine has long been expecting the introduction of the hryvnya, and everybody is saying it will happen after the new year arrives. What measures must be taken for the hryvnya to be introduced? Thank you.

[Kuchma] As for our national currency, the measures are very simple. Help me, please: $2 to $3 billion, then it will be introduced in three months time. There must be a stabilization fund.

As for more active participation of Ukraine in peacekeeping forces, I think Ukraine is quite actively engaged on Yugoslavia and that will do for now, as it were. Ukraine, however, agreed to participate more energetically in Georgia and Abkhazia and Nagorno- Karabakh, as far as observers are concerned, (?and is ready to do so).

If, however, this process in future is implemented within the framework of the CSCE, we do not say no. If this happens, we shall certainly raise this question through the Supreme Council. But I would like to say once again—within the framework of the CSCE.

[Rybalko, Radio Liberty] In your speech at the conference, Mr. President, you recalled such a means of settling matters in Europe as preventive diplomacy. Today, you expressed a somewhat different view, that of the CSCE organization. Am I correct? Is it the Organization for Security and Cooperation in Europe? It seems to me that these problem-solving techniques slightly differ. Can you tell me if what you said about the Organization for Security and Cooperation in Europe was done so impromptu, or as a continuation of the same idea?

[Kuchma] First, this is what was decided, that there should be the organization instead of the conference [words indistinct]. A conference confers, while an organization is a body that must have some structures that work in this area every day.

As for preventive diplomacy, my opinion is that this should now be the main instrument of the organization for the security of Ukraine [as heard], because with us facing the issue of Crimea, for instance, we should not wait until a conflict emerges. We, including that respectable organization's special mission, should work on an everyday basis. This is how I see it.

If any question arises, one should at all costs seek a peaceful settlement to that problem without awaiting bloodshed, as I said in my speech there. Thank you.

[Borys Kominko, EFE news agency] Mr. President, you had a meeting with Romania's President Iliescu. Did your meeting solve the problem of the territorial claims that have been made by some of Romania's politicians? And (?on your) meeting with Shevardnadze: What assistance to Georgia will Ukraine render in the very near future?

[Kuchma] Thank you. Yes, I did meet the president of Romania. As you understand, we could take no decision at that meeting, half an hour long. Ukraine, however, expressly and clearly pointed out that between our states there is no political treaty the first clause of which would be territorial integrity and inviolability of borders. That was the first question the president of Ukraine underlined. We also agreed that consultations at the level of experts should continue more energetically. Our foreign affairs minister is here and this is precisely what we shall certainly do in the very near future. I said once again that it is a shame that these issues have to be discussed virtually at the European level and (?once again) at that conference in particular. We should decide them as soon as possible at the interstate, the state level.

As for the meeting with Shevardnadze, I did promise that I would make a one-day working visit to Tbilisi. I believe this is a kind of preventive diplomacy, too, and is useful both to Ukraine and especially to Georgia from every point of view. And if Ukraine can somehow help Georgia, it must, I think, do this at all costs.

Is that all? I would like to thank you. See you later.

Kiev, Bulgaria Agree to Military Cooperation

LD0812223294 Kiev UNIAN in Ukrainian 1850 GMT 8 Dec 94

[FBIS Translated Text] Kiev—The governments of Ukraine and Bulgaria on 8 December signed a number of

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documents, namely: agreements on defense industry cooperation, on investment promotion and mutual protection, on passenger and cargo motor transport, and on air and railway traffic; a declaration between Ukraine's External Economic Relations Ministry and the Republic of Bulgaria Ministry of Trade on the principles and areas of cooperation in the sphere of external economic relations; conventions on cooperation in the sphere of veterinary medicine and on cooperation in the sphere of quarantine plant protection. No agreement on the avoidance of double taxation was signed as it required finalization.

Ukraine is for ready for cooperation with Bulgaria in all areas of the defense sphere, Leonid Kuchma told a joint news conference by the presidents of Ukraine and Bulgaria, adding that the fundamental friendship and cooperation treaty, signed in 1992, laid the proper foundation for relations between the two countries to extend further. He expressed the view that both countries' economic links did not correspond to their potential.

Bulgarian President Zhelyu Zhelev in his turn said that Bulgaria was also ready for further cooperation, underlining that there was not any misunderstanding in relations between Ukraine and Bulgaria.

Kiev, Dutch Sign Economic Cooperation Accord

LD0812224194 Kiev UT-1 Television Network in Ukrainian 1900 GMT 8 Dec 94

[FBIS Translated Text] A program of cooperation between the Governments of the Kingdom of the Netherlands and Ukraine for 1995 was today signed in Kiev.

[Unidentified correspondent] This concluded a visit to Kiev by an official delegation of the Ministry of Economic Affairs of the Kingdom of the Netherlands.

That country is one of the most active donors to Ukraine on a bilateral basis, with the annual contribution of 8 million guilders by the Netherlands since 1993 and the funding of ten large-scale projects in the sphere of agriculture, power engineering, and environmental protection. This volume for the next year has considerably increased.

Apart from that, Ukraine in the fourth quarter of this year will receive $5 million as a grant to support its balance of payments. And under a separate Commission of the European Communities agreement, Holland is to allocate $100 million to economic reform in Ukraine.

National Affairs

Kuchma 'Reminds' Parliament of Reform Bill

LD0812222694 Moscow ITAR-TASS in English 2125 GMT 8 Dec 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev December 9 TASS—Ukrainian President Leonid Kuchma reminded lawmakers on Thursday of a bill on state and local government which he submitted to them for consideration as far as in late November but has so far received no response. If adopted, the bill would reduce the parliament to a merely legislative body and entitle the president to form a cabinet at his sole discretion and dissolve the legislature.

The bill has not been even put on the parliament's agenda, and the left-wing majority is going to consider a draft of their own which would grant them wider powers than they currently have.

The bill would help foster economic reforms in Ukraine, Kuchma said in a statement. If the law is not adopted, a nation-wide referendum will be held in Ukraine, he added.

Parliament speaker Oleksandr Moroz suggested, however, that two bills be discussed and the presidential one be adopted in part. He said those provisions could be adopted which provide for "executive government speedily considering issues, related to economic reforms".

Moroz 'Shelves' Power Bill, Avoids Kuchma

WS0912154294 Kiev INTELNEWS in English 1239 GMT 9 Dec 94

["Special to INTELNEWS" by Oksana Hasiuk: "Moroz Shelves 'Soviet' Bill"]

[FBIS Transcribed Text] Kiev, Dec 8—Parliament Speaker Oleksandr Moroz Thursday [8 December] avoided a showdown with President Leonid Kuchma and with centrist factions when he succeeded in removing his law on the administration of local government from the agenda.

The leftist-sponsored "Law on Local Councils"—had been widely criticized as an attempt to institute a "soviet" style of government and place the legislature at the apex of the future system.

Reforms Deputy Oleksandr Yemets urged that Parliament should drop consideration of the "Council" bill entirely, saying that "approval of this conservative law will push Ukraine back toward the Soviet system of government."

Six deputy factions—Rukh, Center, Unity, Interregional Deputy Group, Statehood and Reforms—had proposed that the discussion scheduled for Thursday be broadened to include both the Moroz law and the so-called "power law" proposed by Kuchma, which would have gone to another extreme by advocating a presidency with greatly- increased powers.

The groups had apparently been hoping that a compromise between the two bills could be reached to pave the way for a so-called "small constitution" to govern

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Ukraine until a completely new fundamental law can be implemented in the place of the country's present Soviet-era holdover.

Moroz succeeded in avoiding today's showdown on his "Local Council" bill by repeatedly pushing votes to the on less momentous issues such as changes to the "Law on Transportation" and a "Draft Code on Merchant Navigation."

Nonetheless, "Parliament is facing a deep crisis," according to Valeriy Cherep, a non-partisan deputy from the Center faction. "I think the president's law on power will be considered not earlier than Jan. 10," he told INTELNEWS.

Kuchma Establishes Group To Regulate Electricity

LD0812222494 Moscow ITAR-TASS in English 2105 GMT 8 Dec 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev December 8 TASS—Ukrainian President Leonid Kuchma today issued a decree on the formation of a national commission on regulation in electric power industry.

The commission's functions include the promotion of competition in power production and deliveries, price formation, protection of users' rights and the development of regulations on use of power.

City Councils Favor Draft State Power Law

LD0812221994 Moscow INTERFAX in English 1857 GMT 8 Dec 94

[FBIS Transcribed Text] A conference of the chairmen of city councils presided over by Ukrainian President Leonid Kuchma supported his draft law "On power and local self-government."

The chairman of Kharkov city council, Yevheniy Kushnarev, said on behalf of all the participants of the conference: "We believe that goals of reforming the Ukrainian economy may be achieved on the basis of this law."

At the same time, he doubted that the draft law will be approved by the Ukrainian Supreme Soviet. "We can, must and are ready to do everything within our capabilities to ensure that this course is supported locally," he added.

Kuchma also questioned the parliament's approval of the draft law and recalled the fact that "the president is not entitled to convoke a referendum."

For their part, the city council chairmen assured Kuchma that they could easily canvass any number of signatures required for a referendum.

In his speech at the conference, Kuchma criticized the stand taken by the Ukrainian parliament. Expressing his gratitude to some deputies for supporting his program, he pointed out that "that was only the beginning."

"Now everything has collapsed like a house of cards, while Ukraine has no other choice," he said.

In his opinion, "the most terrible thing is that attempts are made to change the state's course by appeals to the people to come out to the streets instead of sitting at the negotiating table." He was confident that "we cannot do without political reform," calling the parliament "a party club where there is no consensus on anything."

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Belarus

Syanko on NATO Expansion, CSCE Results

WS0912094294 Minsk BELAPAN in English 1200 GMT 8 Dec 94

[FBIS Transcribed Text] On 8 December, Belarusian Foreign Minister Uladzimir Syanko held a press conference on the results of the Belarusian delegation's participation in the meeting of representatives of the CSCE member states held in Budapest on 5-6 December. The meeting was attended by the leaders of 52 states, as well as representatives of the United Nations, the Commission of the European Communities, the EBRD [European Bank for Reconstruction and Development], and others. According to Mr. Syanko, even though the participants in the Budapest meeting expressed their deep concern about the strained situation in Europe—the war in Bosnia- Herzegovina, in particular—no concrete decisions, even declarations, were made on this issue. "Rather interesting" was the discussion on problems of the European security. The presidents of the United States and Russia expressed mutually incompatible opinions on this issue. Russia, for example, proposed that the CSCE be granted the status of the key element in the European security system, while the United States sees the CSCE as an important but not a central body to the European security. Uladzimir Syanko stated that this is a question of principle, and it is not ruled out that a "glutinous struggle" will continue for a long time about this subject, as well as about the issue of NATO expansion. At the meeting in Budapest, the Russian president spoke against a rapid geographical enlargement of this organization. By the way, Mr. Syanko declared that Belarus would in fact join the NATO at the beginning of the next year after it signs a corresponding document. For the time being, Minsk sees the Republic's participation in the North Atlantic alliance as embracing the following elements: the exchange of military information, cooperation in the development of military conversion, the exchange of military delegations, and so on.

The foreign minister informed the press that in the course of the CSCE forum, Belarusian President Alyaksandr Lukashenka held talks with the leaders of Poland, Ukraine, Lithuania, Latvia, Hungary, the Czech Republic, Slovakia, Tajikistan, and Turkmenistan. The president also had a short meeting with U.S. President Bill Clinton. Uladzimir Syanko dwelt at length on the results of the talks of Alyaksandr Lukashenka with Lithuanian President Algirdas Brazauskas during which it was arranged to complete the preparation of a number of important bilateral agreements in the nearest future. A bilateral agreement on cooperation at the governmental level is expected to be signed before the end of this year. The Lithuanian president promised to do his best to resolve questions concerning the Belarusian-Lithuanian border.

NATO Group Monitors Arms Destruction

WS0812145094 Minsk BELAPAN in English 1200 GMT 7 Dec 94

[FBIS Transcribed Text] Since 6 December, a NATO inspection group, under the flag of the United States, worked in Belarus. As Major General Yawhen Nikulin, chief of the National Agency for Control and Inspections (NACI), told a BELAPAN correspondent, in accordance with the Conventional Armed Forces in Europe (CFE) Treaty, the inspectors are to fix the withdrawal of a Russian unit from the missile base near the settlement of Ruzhany, Brest region.

On 7 December, another group of NATO military experts arrived in Belarus under the flag of the Federal Republic of Germany. Under the CFE Treaty, they will be monitoring the process of destroying military equipment at the Barisaw tank repair works. By the way, this NATO inspection is second since the beginning of the third, final stage of reduction of military equipment in the country. Mr. Nikulin emphasized that in spite of the general economic difficulties and under the conditions of lack of an appreciable support from abroad, Belarus strictly fulfills its commitments under the CFE Treaty. It should be mentioned that from 17 July, 1992, to 16 November, 1994, some 60 percent of the weaponry in excess of the limits set by the CFE Treaty for Belarus had to be destroyed.

Hanchar Sees President as 'Hostage'

WS0912094794 Minsk BELAPAN in English 1600 GMT 8 Dec 94

[FBIS Transcribed Text] "I was supporting the president when I saw that he sincerely tried to do something, and even when I saw he sincerely did not know what to do. But I cannot support the president when he is becoming an instrument in the hands of a group of rascals, adventurers and presumptuous dilettantes who financed his election campaign, and now, speculating on this, are making him a hostage to their position", Viktar Hanchar, deputy chairman of Belarus' Cabinet of Ministers, declared at a press conference on his resignation, which was held on 8 December. At the same time, according to him, his resignation was not a political demarche or an anti-presidential action at all. But "I have my own ideas about official duty and honor, and about state interests ... that is why I decided to resign the commission I was given by the president and Parliament", Mr. Hanchar said. At the press conference, it was pointed out that the statement on resignation was made on 5 December, at a conference with the prime minister, and was unexpected for many people. At the conference, it was arranged not to take any actions before A. Lukashenka's return from Hungary, though the impossibility to continue to work under the current conditions was evident for the government. The decision to discuss with the president the government's proposals on the subsequent cooperation was taken on 7 December. The President refused then to

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meet with the Cabinet of Ministers. To all appearances, the government may have not dare to insist upon their demands. The essence of them was as follows: the President should work directly with the Cabinet of Ministers and only with it as the Cabinet is the supreme executive and administrative body, secondly, the government demanded to abolish the "incomprehensible" presidential bodies, in the first instance, the control service and administrative board. Thirdly, the Cabinet of Ministers demanded the immediate discharge of a number of officials in the president's closest entourage, first of all, Ivan Titenkow, the president's business-manager. Viktar Hanchar explained his resignation by the fact that he did not understand the principles of organization of the Cabinet's activity. According to him, during the last five months he suggested that the Cabinet of Ministers should be the real government, be responsible for the entire executive and administrative activity in the country. Unfortunately, the Cabinet of Ministers were always kept away from making extremely important political and economic decisions.

Mr. Hanchar's resignation now is to be confirmed by the president and the parliament. He does not intend to change his mind. According to him, he may revert to discussing the subject only if A. Lukashenka complies with the Cabinet's demands. Otherwise, Viktar Hanchar intends to "think thoroughly whether he ought to come back to politics". "My voluntary resignation, I hope, will be a clear friendly gesture for the president, and, simultaneously, a sign of protest which will allow him to realize at last that power is given by the people so that it may be used reasonably and correctly", Mr. Hanchar said. "In my opinion, this will allow Alyaksandr Lukashenka to do the main thing—to break away from the political and information isolation, as well as to tear himself from his closest entourage's embrace". Asked whether his resignation marks the beginning of a tradition of voluntarily resignations of high-ranked officials, Mr. Hanchar said it would depend on the personal stands of people in power.

Comments Further on Resignation

LD0812181094 Moscow ITAR-TASS in English 1747 GMT 8 Dec 94

[By BELINFORM correspondent mikhail zhuravovich for TASS]

[FBIS Transcribed Text] Minsk December 8 TASS—Byelorussian Vice-Premier Viktor Hanchar said on Thursday he resigned from his office. This is not a political demarche, and the less is it an anti-presidential move, he told reporters.

Hanchar said his resignation was largely motivated by "unclear guidelines for organizing the Cabinet of Ministers' activities". According to Hanchar, the government is kept completely aloof from a staff selection policy.

"You cannot be responsible for decisions you have not made. You cannot work when your labour is not respected", the vice premier stressed.

UDPB Issues Election Law Statement

WS0912125794 Minsk BELAPAN in English 1200 GMT 9 Dec 94

[FBIS Transcribed Text] The leaders of the United Democratic Party of Belarus (UDPB) have made a statement in view of the amendments the Supreme Soviet introduced into the election law. "In accordance with Article 57 of the new version of the election law", the statement reads, "if less than 50 percent of the electors assigned to an election district come to polling stations, the results of elections in this district are declared invalid, and this rule extends to both the first and second round of elections". Taking into account the population's apathy, people's disbelief in improvement of their life, the UDPB leaders regard the aforesaid article of the election law as "an aspiration of the non-professional and incompetent Supreme Soviet to derange the elections in order to be at power as long as possible". This, in turn, means the further delay of reforms in the economic and social spheres, drop in production and decline in living standards.

PM Wants 'Voluntary' Union of CIS States

WS0812145194 Minsk BELAPAN in English 1200 GMT 7 Dec 94

[FBIS Transcribed Text] On the eve of the third anniversary of the dissolution of the Soviet Union, the Coordinating Committee of the Popular Movement of Belarus issued a statement condemning the "Byelavezhskaya Pushcha plot" which, in their opinion, "violated the laws and international legal standards, flagrantly disregarding the peoples' will". "We call upon the people of Belarus and CIS countries to press for the establishment of a new state union on a voluntary basis. Belarus, Russia, and Ukraine must become the kernel of such a union," the statement said. "Minsk must perform its historic mission and become the gatherer of all Russian lands." The movement's leaders demand that the Belarusian legislators should "immediately start working on the reunification of the peoples that were artificially separated."

LDPB Makes Pricing Recommedations to IMF

WS0912094694 Minsk BELAPAN in English 1600 GMT 8 Dec 94

[FBIS Transcribed Text] The recent raising of prices for foodstuffs has been defined by the leaders of the Liberal Democratic Party of Belarus [LDPB] as ingratiation with western "benefactors". They hint at the recommendations of the International Monetary Fund to adhere to the policy of free pricing. "The Belarusian government's abidance by such 'recommendations' will inevitably lead to the exclusion of our producers from the domestic market", the LDPB leaders insist in their statement. They also upbraid the government with abandoning the idea of "ruble space", and with failure to fulfill the pre-election promises. "Only the Liberal Democratic

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Party is able to fulfill everything the present government promised", the statement reads. The LDPB leaders stress that the first move of the party in case of their coming to power will be the "immediate denouncement of the illegal Byelovezhskaya Pushcha agreements".

Moldova

Government Undertakes 14 of 19 Foriegn Credits

AU0912072494 Chisinau INFOTAG in English 2033 GMT 7 Dec 94

[FBIS Transcribed Text] Chisinau, INFOTAG, 7/12/1994—By the present moment, out of the 19 foreign credits worth $505.81 [as received], granted to Moldova, the Government has undertaken commitments under 14 of them worth $438.71 mln. And out of the latter volume, $278.4 million has been actually received.

These figures were presented at today's news conference in the Government dedicated to the utilization of external credits.

The First Deputy Prime Minister, Ion Gutu, said that all CIS states had been cooperating with international agencies and taking foreign credits. "We must overcome the crisis by ourselves, but in the current transition period it is impossible to manage without foreign aid", Gutu said.

Deputy Economy Minister Andrei Ceptine has reminded that on December 8 the Board of the World Bank is to decide on granting the last centralized credit to Moldova. All subsequent ones shall be issued for concrete investment projects in the field of energy, agriculture, support of small and medium business, financing of business risks, etc.

The National Bank Vice President, Lilia Burunciuk, refuted allegations that the leu stability was artificially supported thank to credits of the International Monetary Fund. "The leu's exchange rate is maintained thank to the monetary policy of the National Bank, and control over money stock in circulation. And this is proved by the fact that the National Banks hard-currency reserves have increased by over $100 million, which is equal to the total credit volume granted to the Bank", she said.

Ion Gutu underlined that "the national currency stability must be supported with all possible means. We shall not allow the exchange rate to grow substantially. If we fail to do that, foreign investments will never come. And it is exactly now that we are feeling a rapidly growing interest of foreign investors to Moldova, whose currency stability has become a factor acknowledged throughout the world".

National Bank Official on CIS Payments Union

MM0812133994 Moscow SELSKAYA ZHIZN in Russian 8 Dec 94 p 5

[ITAR-TASS report: "Moldavia for Payments Union"]

[FBIS Translated Text] Moldavia [Moldova] is interested in an initiative by Russian banks which wish to take on operations relating to mutual transactions among CIS countries, including the element of risk in carrying them out. Lilia Burunciuk, vice president of the National Bank of Moldavia, told an ITAR-TASS correspondent this on Tuesday. "Moldavia has supported the decision adopted within the CIS framework to set up a payments union and an interstate bank and is interested in seeing them start work," Lilia Burunciuk said. "But this will happen only when all the members of this union have liberalized their currency operations at least to the same extent as Moldavia has done." One of the problems which is hampering the realization of the payments union project today is the instability of the national currencies of a number of CIS countries.

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Kazakhstan

Nazarbayev Meets Foreign Officials at CSCE

LD0812162694 Almaty Kazakh Radio Network in Russian 0900 GMT 8 Dec 94

[FBIS Translated Text] Kazakh President Nursultan Nazarbayev, who has been taking part in the Budapest meeting of heads of state of the Conference on Security and Cooperation in Europe, met the leaders of a number of foreign states and held talks with them.

In a conversation with British Prime Minister John Major, the development of bilateral economic ties was discussed. The British prime minister showed particular interest in a number of commercial and innovatory projects that are being implemented in Kazakhstan.

At a meeting with a representative from the Spanish government, Prime Minister Felipe Gonzalez, the prospects for developing economic relations between the two countries were discussed. Nursultan Nazarbayev said that our republic is pursuing specific actions from the point of view of both legislation and the tax system. Further progress on this is planned by the end of this year. In turn, Gonzalez promised that he would send the Spanish trade minister to Kazakhstan at the head of a high-ranking business delegation in the near future.

Matters of economic cooperation were the topic of discussion in talks with Israeli Foreign Minister Shim'on Peres. Nazarbayev also met the leaders of a number of other foreign countries, including CIS states.

Almaty To Promote Cooperation With OIU

LD0812201694 Moscow INTERFAX in English 1620 GMT 8 Dec 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Kazakhstan intends to promote cooperation with the Organization of Islamic Unity [OIU].

Deputy chief Bagdat Amreyev of the Middle East Desk of the Kazakh Foreign Ministry told Interfax that "instead of posing as a military-political alliance, the OIU is a lever for cooperation between the Islamic nations." That influential organization is free from extremist tendencies, Amreyev said.

Alma-Ata [Almaty] aims for integration into the world community and "is willing to cooperate" with the Organization of Islamic Unity which granted Kazakhstan observer status on October 3, 1994. For the time being Kazakhstan is quite content with its observer status, Amreyev said.

According to Amreyev, Alma-Ata is interested in contacts with a number of OIU's economic and cultural divisions, including the Islamic Development Bank which pledges to finance the laying of two highways in southern Kazakhstan. In addition, Alma-Ata hopes that OIU will help it resolve the environmental problems of the Aral Sea and the Semipalatinsk region.

Addressing the upcoming conference of the heads of state and government of the OIU nations, Amreyev said that Vice-President Yerik Asanbayev would be most likely to lead the Kazakh delegation to Morocco on December 13 and 14 and Deputy Foreign Minister Vyacheslav Gizzatov [as published] would be expected to attend an OIU Foreign Ministers conference.

Kazakhstan, which spreads out into both Europe and Asia, cannot help showing interest in a forum of 50 nations which are geographically, historically and culturally close to it, Amreyev told Interfax.

Kazakhstan intends to urge OIU's Asian member-nations to support its call for an Asian conference on cooperation and trust-building measures.

Deputy Premier Meeting on Enterprise Debt

LD0812140994 Almaty PANORAMA in Russian 2 Dec 94 p 2

[FBIS Translated Text] Kazakh First Deputy Prime Minister Nigmetzhan Isingarin announces that the state does not intend to write off the debts of industrial enterprises. A selective republican meeting on financial and economic discipline took place.

On 29 November, the first deputy prime minister chaired a selective meeting with heads of regional administrations on toughening financial and economic discipline. Taking part in the meeting were Deputy Prime Minister Viktor Sobolev, Finance Minister Aleksandr Pavlov, Industry Minister Garry Shtolk, Daulet Sembayev, chairman of the board of the National Bank, and others.

In his opening address, Mr.Isingarin expressed dissatisfaction with the continuing consumer policy of some regions, which owe money for transport services, energy, and bread. The first deputy prime minister is worried by the tendency toward impunity and self-license when heads of state enterprises "want to receive as much as possible free and give nothing in return." In Isingarin's view, there is neither market nor state discipline in the majority of regions. And in the meantime the time when everybody will be a private proprietor is still a long way off. For the time being, Kazakhstan's fate is decided by state enterprises, which make up 90 percent of the economy, according to the vice prime minister.

"There is no need to refer to the law in this case," Isingarin noted. "The law is on our side when we say that heads of enterprises are obliged to pay salaries. Both government and ministries are obliged to work with enterprises on financial and economic analysis and discipline. The appropriate financial and economic bodies

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exist locally for this. It is necessary to get them to work daily. And there is no need to be embarrassed about checking the financial and economic condition of any enterprise... Of course, we will support these enterprises, but it must not be a one-sided game. They shouldn't hope that the state will in the end draw them out of the quagmire and write off all their debts. This will not happen."

Touching upon the allocation of credits, Mr. Isingarin rejected all the complaints voiced by the heads of enterprises about high interest rates and selectiveness in allocating the credits. "The failure to return credits is taking the situation to the realms of the absurd, when credits are being replaced by budget funding. As a whole in the republic debts for credits are 26 billion tenge, including centralized credits that are over 14 billion tenge. These facts have not been properly assessed yet, in particular in the capital."

Nigmetzhan Isingarin reported that within the next few days a resolution of the Cabinet of Ministers will be signed instructing enterprises, the controlling block of shares in which is held by the state, to concentrate their currency accounts in one bank, which the enterprises are free to choose. "The bacchanalia, when an enterprise head hides money in several banks so as not to pay taxes and other payments, must be ended." It is proposed that the National Bank and commercial banks assist in this matter. The finance ministry will be charged with supervising the implementation of the resolution.

Further Isingarin talked about the problem of the pension fund. The situation is made more complicated by the fact that conditions for paying out pensions are not the same in all regions. The situation is very difficult in east and south Kazakhstan, Dzhambul and Semipalatinsk regions. The total debt of these four regions is 1.7 billion tenge. Money does not reach the pension fund in time. "We must set ourselves the task of beginning 1995 without debts on pensions."

Summing up his speech, Isingarin stressed that financial and economic policy should be carried out not for the benefit of certain people, who still regard money as their own property, but to ensure efficient observance of discipline.

Finance Minister Pavlov spoke to the regional heads. He talked about the difficult budget situation. Revenues have slowed down and everyday receipts have fallen to 500-600 million tenge. This makes financing of measures envisaged by the budget considerably more difficult. We have to take extraordinary measures and toughen finance policy. At the same time the Finance Ministry, in conjunction with the National Bank, has signed permission for five percent of earnings to be used for the urgent needs of enterprises. Particular attention is to be focused on directive credits. Debts for these exceed 14 billion tenge today and the proportion of directive credits exceeds 60 percent in terms of the total volume of credit investments. In the minister's view, it is necessary to strengthen control over the repayment of hard currency credits. In accordance with resolution No. 1300 of the Cabinet of Ministers, it is proposed to reregister all hard currency guarantees and payment for issuing guarantees and insurance will be introduced before 1 January 1995. Thus the Finance Ministry is trying to bring order to the attraction and use of foreign investments.

After this "introduction to finance and economic policy," Nigmetzhan Isingarin proceeded to listen to the reports of the regional heads. Those who answered were the administrations of Akmola, East Kazakhstan, Aktyubinsk, West Kazakhstan and Almaty regions and the Almaty city administration. Judging by the tone of the reports and the topics of conversation, the speakers took the event very seriously. Seemingly confused because of such a responsibility the first deputy head of the Almaty city administration, Viktor Khrapunov, for some reason announced "Viktor Khrapunov in the studio." [as published]

Almost all the reports disappointed the first deputy prime minister: "Of course, we listened to you with pleasure but different approaches to work are necessary which you have not demonstrated." Mr. Khrapunov, who quite hesitatingly spoke about the catastrophic scale of inflation, which eats into working capital, the decline in production, which has reached 70 percent at the Porshen enterprises, the Merey joint stock company and the Asfaltbeton joint stock company, and about trade, which is idling, suffered particular criticism. Mr. Isingarin was extremely irritated and this resulted in the following dialogue between the two men:

[Isingarin] You're saying the wrong things, everything's wrong. What inflation? At the corner of Timiryazyev and Markov streets there is an ice cream man, who has been selling ice cream for 20 tenge since May. He somehow knows how to fight inflation. Why repeat the same things? Prepare a joint resolution of the Almaty city administration and the government on the work of Almaty enterprises. It is not right that Almaty—our main city—has become a millstone around our necks. You have been given free coal, bread, and electricity, but what have you given in return? Look at what is happening in Moscow. Moscow Mayor Luzhkov—cursed as he is—in a business-like way undertook to do the job and now everything is strong there. This year more housing has been built in Moscow than throughout history. The city administration has sent 300,000 children to summer camps at its own expense.

[Khrapunov] I have not asked for anything so far. And Moscow cannot be compared with Almaty; I have studied the Moscow situation. There is a large number of foreign investors there. I have got a very serious question about fuel oil.

[Isingarin] What about fuel oil? All the banks are concentrated in the city, · ll the money is in Almaty. Let us work out a program of joint actions. I am saying in the presence of ministers—we cannot be slow, submit your suggestions by Friday.

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[Khrapunov] Nevertheless about fuel oil. If fuel oil does not arrive from Chimkent within three days, the city will be on the verge of catastrophe.

[Isingarin] You pay within three days and the fuel oil will come. Get out of this yourself.

Other conversations with other heads went along similar lines. The heads and deputy heads of the regions abused neighboring regions over various debts and complained about the grievous situation of the population. It was discovered that the Akmola region leadership are already using repressive measures. The first deputy prime minister got angry and urged the heads to more effective activities.

From now on the selective meetings in the government will be regular. The topics will be determined closer to the meeting date.

Government To Combat Tax Evasion by Enterprises

LD0912112794 Almaty Kazakhstan Television Network in Russian 0700 GMT 9 Dec 94

[FBIS Translated Text] Taking into consideration the nonpayments crisis at the republic's enterprises and their major liabilities for wages and social payments, and aiming at the most effective use of existing resources for the financial recovery of enterprises, the Cabinet of Ministers has issued a resolution on regulating the opening of accounts.

According to the resolution, within a month all state enterprises and joint stock companies, in which a controlling block of shares is held by the state, will transfer their clearing, hard currency and other accounts to one bank of their own choice for the provision of all services.

The Ministry of Finance and the state committee on financial control, in conjunction with the republic's law enforcement bodies, are requested to supervise the progress of the resolution's implementation and submit to the Cabinet of Ministers a report on the results of work done by 1 February 1995.

Kyrgyzstan

Bishkek, Uzbekistan Agree on Gas Supplies

LD0812211894 Moscow INTERFAX in English 1702 GMT 8 Dec 94

[From the "Presidential Bulletin" feature—compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Kyrgyz presidential press office told Interfax Thursday that government delegations of Kyrgyzstan and Uzbekistan had agreed on supplies of Uzbek natural gas to the republic.

The two republics agreed that Uzbekistan will supply 150,000 cubic meters of gas an hour to Kyrgyzstan in exchange for agricultural produce, notably meat, and some manufactured goods.

According to the press office, gas was delivered to the south of Kyrgyzstan Wednesday, while only 30 percent of consumers in the north of the republic are receiving it at the moment. All Kyrgyz gas consumers are expected to be fully provided with gas within two or three days.

The Kyrgyz delegation to the talks was headed by First Deputy Prime Minister Amalbet Matubramov [as published], while that of Uzbekistan by Deputy Prime Minister Ismail Dzhurabekov.

Akayev Answers Questions on Current Issues

LD0912001894

[FBIS Editorial Report] Bishkek Kyrgyz Radio First Program Network at 1500 GMT on 8 December carries a 134-minute live studio discussion with Kyrgyz President Askar Akayev. The announcer reads questions that were phoned in by listeners in both Kyrgyz and Russian

First there are introductions by program moderators in Kyrgyz and Russian who announce that listeners can phone in with questions for President Akayev. They also say that the program is being broadcast on national radio and TV. Topics for the discussion are the constitution, local government and the 1995 budget.

The first question in Kyrgyz asks Akayev about local government. Akayev answers in Kyrgyz and reviews the 22 October local government elections. He then says that now they have to discuss constitutional amendments at the Constitutional Assembly.

Akayev says that in future local government revenues will come from a five percent tax exacted from local enterprises. Akayev then proposes a "pyramid of wer" as a model for society model

Aleksandr Barshayev of Kyrgyzkabar news agency asks in Russian: "Askar Akayevich, my question will be connected with the latest meeting of the government on 5 December which you chaired. I and my colleague Victor Nevzdorov were fortunate enough to attend this government meeting. I can say it was very interesting, saturated, full of drama, one might say. You dealt with fundamental issues for the republic—the draft budget for 1995 and forecasts for socioeconomic development. And it seems to me that more journalists should be invited to some government meetings and they should even be shown on television, so interesting and rich are the discussions there. There were many interesting ideas.

"I have two questions connected with some of your remarks at this meeting of the government. Criticizing the Finance Ministry's draft budget for its huge deficit, you proposed many measures to cut this deficit. In particular, there was the interesting proposal on issuing a gold certificate and circulating it in the West. We still

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have a poor idea of what this is. I would like you to talk in some more detail about your gold certificate idea. That is the first question.

"Secondly, you noted with bitterness that the agreement on the development of the Kumtor gold deposit by a Canadian firm [Cameco] and Kyrgyzaltyn [a Kyrgyz gold concern], an agreement which has been signed and is even now in effect, is meeting with resistance from structures, including even government structures. It is true that you did not name these structures. If possible, could you go into more detail about this; about why, when everything has already been solved, all the talk is over, and it is time to get down to work, such a serious and project - a destiny-making project for the republic - is meeting with resistance from government structures. Who are they? And why? These are my two questions, thank you."

Akayev answers in Russian: "Right then, Aleksandr Zinovyevich. In answer to the first question—why I have proposed issuing and selling a gold certificate. The thing is that you can see that the 1995 budget makes absolutely no provision for an increase in funding for the social sector, in real terms. In recent years we have set ourselves this problem, and I consider that in 1995 we should move towards a solution of this issue and really give proper attention to the social sector. This includes education, health care, science, culture, and capital investment for this sector. Today our schools, hospitals, theaters and higher educational establishments—take for example the television and radio Company studio in which we are now sitting—have turned into long-term construction sites, some of them; others require urgent capital or running repairs, otherwise we may simply lose these national assets of our people of Kyrgyzstan which were really built up over decades and into which immense work and expenditure was invested.

"For that reason we must definitely achieve a real increase in funding for the social sector in 1995. Why do I say real? Because in absolute terms an increase in funding is actually envisioned. But if we take into account the fact that the State Committee for Economics is forecasting that inflation in 1995 will be of the order of 60 percent per annum - I have posited that we have every realistic opportunity to reduce it to 30 or 40 percent, and that we should strive for this; it is the main, most fundamental task for 1995.

"So we definitely have to find funds. We are talking about approximately 600 million soms that is needed for this. Where can we get it? For the next year, 1995, we are for the first time facing repayment of a large amount of debt, about 100 million dollars, out of which 62 million dollars is owed to CIS countries. This is not a state debt. These are the debts of our enterprises as they stood at the point when we introduced our national currency, but the state has to fork out for them. Hence the tight nature of the 1995 budget. The budget envisages over a billion soms to service the external debt.

"I have thus proposed that those budget revenues that come from collecting taxes and duties should be channeled into the social sector, to support the social sector.

"But then we have to find a source to service the external debts. We have such a source, and it should be taken advantage of. It is the practice in the world that if a country wants to acquire some definite amount of money immediately, it can be obtained only by one method - either by selling existing gold stocks, by issuing a gold certificate against gold stocks, or available, or by issuing a gold certificate against gold which is being mined.

"We have such a real opportunity. We do not have a large amount of mined gold, but we do have two gold deposits—Makmal and Soltun Sary, as you well know. And against these two deposits we could involve an authoritative major Western—we intend to do this in Europe—and the bank would issue gold certificates against this gold which is really being mined, and sell them in a very short space of time. And we would then have the potential to realize about 60 or 70 million dollars in 1995 from this.

"In addition, some of this gold could, of course, be distributed within the republic in the form of state gold bonds. Our population, too, has spare money available. All these funds could be channelled into servicing the external debt and developing the sector itself. Then we could subtract approximately 600 million soms which we could channel into the social sector, and move from deeds to words in 1995—provide real support for education; wherever there are positive trends one must provide support today; and health care and culture.

"These, then, are the mechanisms and goals with which we plan to issue and distribute such a gold certificate, and state gold bonds within the country.

"Now, to answer the second question, I would like to say that we need in immense amounts of investments. Only with the help of investments can we breathe life into production, only with the help of foreign investments can we effect in-depth structural restructuring of our economy. And we have to do this very quickly if we do not want to fall behind other countries in our development. It must be done very quickly, because markets are being won over and ever fewer uncharted territories remain on the CIS markets—there is no uncharted territory left at all on the world markets. That is why we have to advance forward very rapidly.

"Since, as I have already said, there are not even enough funds in the budget to increase funding for the social sector in real terms, more investments need to be attracted. We are obliged to create a favorable investment climate in our republic. And when what we might call the first private investors in the shape of the Cameco and Andre companies were only just starting to develop their operations in Kyrgyzstan, our bureaucrats and

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petty officials began creating obstacles and demanding various documents and compromises from them, as is their wont.

"In short, this is corruption and bribe-taking in clear form. This why I have delivered a warning. I hope that the structures to whom this warning was addressed will stop this importuning. If they do not stop then I will not only name them, we will also punish them.

"In short. we have to create good conditions and a favorable investment climate in the republic right from the start. We have some hope that the investments will slowly begin arriving in Kyrgyzstan. As you know, an international conference on attracting investment, private investments, for Kyrgyzstan is being held in Paris today under the aegis of the World Bank. We hope that 1995 will be a productive year in this respect.

"At the same time, however, we must ensure that there are no elements which might scare away these investors."

The next question is in Kyrgyz on taxation, and how to lower it. Akayev answers in Kyrgyz, and cites Polish, Czech, Hungarian, Russian, Estonian tax rates—saying all are over 20 percent. He says that here it's only 11.7 percent.

Akayev says that the army and security services have to be funded out of taxes. But the taxes aren't being collected because the tax office is not doing its job properly. New tax code is being drafted to improve the mechanisms.

The next question is in Russian from Viktor Nevzdorov from a Kyrgyzstan newspaper. Nevzdorov wants the Russian language kept as the state language. He also asks about many officials now wanting to get into parliament.

Akayev answers in Russian, saying that he agrees that ethnic renaissance across the CIS has led to great losses. We want to sort this out, he says. However, he does not think the linguistic formula that has been selected is confused. Kyrgyz is the state language, i.e. the symbol of the state. But there's no difference between a state language and an official language in terms of use. Russian is a major world language and Akayev is against making it secondary. He thinks Russian should be an official language. Look at Spain, he says, they have lots of languages.

Akayev discusses the use of minority languages in Italy, where they have French, German and Slavic-language groups. He says, we have Dungan, Uzbek and other writing. He says that they are not eroding languages.

Akayev then answers the second question, saying that he is not worried by the issue raised about deputies' immunity and so on.

The program announcer then reads out a question from a TV viewer—will the akimiat, or local administration, continue to exist?

Akayev answers in Kyrgyz, saying that there is need for diversification of power structure in all societies; he cites French prefectures as similar structure. The functions of the akimiats, and the title of this institution, may be changed, not the system itself.

Next there is a question from a Radio Liberty correspondent, in Kyrgyz, on Akayev's stated position of separating the three branches of state power. Akayev, answers in Kyrgyz and goes over principles behind the division of powers.

Irina Nigmatova from VECHERNIY BISHKEK says that the U.S. Constitution has only 27 amendments in all for over 200 years, yet we have a lot of them already for the one and a half years of our constitution. She also says that senior citizens and invalids in Bishkek have asked her to ask the president about medical aid.

Akayev begins by saying: We are proposing only two actual major changes - agrarian reform and the language legislation. Akayev goes over history of the U.S. Constitution to show that it did undergo major revision even before it got under way. The founders of the U.S. Constitution read lots of books—one of them read 180 books. Even they took ages to write the constitution. So we are right to spend time now working on our constitution's deficiencies.

On the senior citizens, Akayev continues, we will definitely try to address the issue of medicine, as well as pensions, benefits and so on. Social problems bear no postponement.

The announcer the reads a question from a viewer in Bishkek on heating problems affecting houses. Akayev says that in a market- driven world we have to buy gas at world prices. We have to switch to electricity, and next year's budget makes provision for this conversion. The state cannot assume the burden of subsidizing the power supply.

There is a follow-up question on the need for a better electricity network. Akayev says: I have told the government to look at this. If we do not sort out our current energy problems coal could be the next thing we have to go short of.

A correspondent for KYRGYZ RUHU newspaper asks: Are most foreign investments going to cover the budget deficit?

Akayev says, yes, that is true. This year one-third of the shortfall is being drawn from domestic funds. The foreign credit has been granted on short terms—just 10 years until repayment.

The same correspondent asks Akayev's view on youth problems. Akayev says they are looking at ways of providing youth training schemes.

Viktor Zapolskiy from DELO NO.1 newspaper asks in Russian: Despite your stated intention to develop small and medium-size business, any bureaucrat can poke his

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nose in businesses and extort money. Will the new budget contain measures to support business? Also, you can't get credit or a loan if you have a business.?

Zapolskiy asks: "And here is a second question, Askar Akayevich. Perhaps I haven't been reading attentively enough, but I've failed to notice something. Under our old constitution we had a president for two terms. Has any term now been set? Let's say, one is elected for one term, for a second one, but not for a third term."

Akayev says "No, that standard remains, because I think that it is only right to limit the term—yes, we need to limit it. It is limited to two terms."

Akayev says that they need a law to protect business. Government cannot provide credit for businesses. But there are three funds to support enterprise: a German one, a Kyrgyz-U.S. one and a new Kyrgyz one. Monies are now coming into them. However, he says, entrepreneurs need to learn how to plan.

Akayev then answers a question on the budget being approved by parliament.

There is a question from ZAMAN-KYRGYZSTAN newspaper: Was experience of other countries taken into account in developing local government?

Akayev praises the newspaper for providing coverage of the Turkic countries, and notes the Turkish local government system.

The announcer says that a number of listeners and viewers have asked about parliamentary representation for ethnic minorities and women.

Akayev says that the rights of women and ethnic minorities are being eroded. He says: I would have liked to see a quota system, but alas, the law on this was not passed. I would again urge everyone in the country, especially the ethnic Kyrgyz to display wisdom on this. Working within the constitution, we are trying to help these two groups advance themselves.

The INTERFAX correspondent ask in Russian: What if the new parliament does not pass the law on private land ownership? Also, why is there a 30 percent royalty on gold extraction when the normal tax rate in other countries is five per cent of retail turnover?

Akayev says it is possible that parliament will throw out the private land ownership bill. Yet we need to resolve the issue in order to get investment and make economic progress. I do understand those who oppose the idea and worry about land speculation, but we already have legislation to cope with this.

Akayev explains 30 percent royalties on gold extraction. Without it we might as well close down our gold industry. The expenditure involved in deep mining for gold is immense.

A KYRGYZSTAN MADANIYATI correspondent asks about the separation of powers. Akayev says: we need a powerful government, and cites the example of Ukraine. A prime minister should be strong, and ministers should be accountable to the prime minister. At the moment some of them work autonomously and ignore the premier. They should be like a symphony orchestra—he cites Britain and Japan.

The last question is on dangers of tribalism, and on extra money for law-enforcement.

Akayev says that he hopes that the local government system will be part of the pyramid of power. He says: We need to sort out local government's functions. We have borne in mind the dangers of regionalism and tribalism, and have built in checks and balances. The local government system should eliminate the regionalism problem, which was the result of the old centralized system where some regions felt they got more and others less. Federal states have two- chamber parliaments, but it does not follow that because we have one we should be a federal state—he cites Britain as an example.

Akayev says: We have already provided for a real rise in law- enforcement funding in real terms in the 1995 budget. We will also need foreign help, technology and so on. Our people were trained to combat Soviet-style criminals. The criminals have adapted, but our law-enforcement organizations have not. We have been promised help with training from the Swiss police, who know how to look after the stacks of money in the banks there. We are joining in international efforts to halt the drugs trade.

The program then ends with a wrap-up by the announcers in both Kyrgyz and Russian.

Tajikistan

Tajik Decree Names New Government Appointments

LD0812215394

[FBIS Editorial Report] Dushanbe Tajikistan Radio Network in Tajik at 1700 GMT on 8 December carries a series of decrees appointing new government ministers to the Tajik Government. The decrees were signed by President Islam Karimov and dated 8 December.

The appointments were as follows:

- First Deputy Prime Minister—Mahmadsaid Ubaydulloyev
- Deputy Prime Ministers—Odil Ubaydulloyevich Ochilov, Jalol Mansurov, Hadriddin Zabirovich Ghiyasov, Bozqul Dodkhudoyeva, Hamidjon Temirjonov
- Minister of Internal Affairs—Yaqubjon Karimovich Salimov, internal affairs major-general
- Minister of Education—Munira Abdulloyevna Inoyatova

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- Minister of Finance—Anvarsho Muzaffarov
- Minister of Grain Products—Bekmurod Sharipovich Uroqov
- Chairman of the State Committee for Administration of Affairs of State—Matlubkhon Sultonovich Davlatov
- Minister of Land Improvement and Water Economy—Ismat Eshmirzoyev
- Minister of Culture and Information—Bobokhon Mahmadov
- Adviser to the Tajik President on National Economic Affairs—Rahimjon Ghafurov
- Minister of Social Security—Abdussattor Jabborov
- Minister of Environmental Protection—Ismail Davlatov
- Chairman of the State Committee for Contracts and Trade—Hakim Huseinovich Saliyev
- Minister of Security—Saydamir Zukhurov.

Another presidential decree relieved Kayum Kavmidinov from the post of the chairman of the Tajik National Bank. His replacement was named as Murodali Muhammadovich Alimardonov.

Rakhmonov also issued a decree appointing Jura Rahmonovich Shokirov head of the town of Chkalovsk in Leninabad Region.

The decrees appointing the officials stated that they were issued in conformity with Article 69 of the Tajik Constitution, and that they would be passed to the Supreme Assembly for approval.

Resolution Outlines Government Restructuring

LD0812205894 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 08 Dec 94

[FBIS Translated Text] Resolution No. 3 of the Government of the Republic of Tajikistan Issued in Dushanbe on 7 December 1994 on Measures To Implement Decree No. 7 of the President of the Republic of Tajikistan of 3 December 1994 on Approval of the Governmental Structure of the Republic of Tajikistan.

With the aim of implementing decree No. 7 of the president of the Republic of Tajikistan of 3 December 1994 the government of the republic of Tajikistan resolves:

1. As of 3 December the following ministries and departments are to be considered abolished:

The Ministry of Foreign Economic Relations of Tajikistan;

The Ministry of Industry of Tajikistan;

The Ministry of Press and Information of Tajikistan;

The Ministry of Construction of Tajikistan;

The Ministry of Trade and Material Resources of Tajikistan;

The Ministry of Economy and Forecasting of Tajikistan;

The State Committee for Television and Radio of Tajikistan;

2. The following committees and departments are to be abolished:

The Committee on Youth Affairs under the Council of Ministers of the Republic of Tajikistan. Its duties are to be entrusted to the Ministry of Labor of the Republic of Tajikistan.

The Committee for Veterans of the Afghan War, Armed Clashes in Other Countries and participants in the Chernobyl Accident; its duties are to be entrusted to the Defense Ministry of the Republic of Tajikistan.

The Main Administration for Protection of State Secrets in the Press and Other Media under the Council of ministers of the Republic of Tajikistan;

The Agency for Authors' Rights and Joint Rights of Tajikistan under the Council of Ministers of the Republic of Tajikistan;

The Cinema and Video self-funding arts production association of Tajikkino and the state scientific production Department for Restoration of the Republic of Tajikistan; their duties are to be entrusted to the Ministry of Culture and Information of Tajikistan, and this ministry is to create corresponding units with the rights of legal persons in the field of cinema and restoring work.

3. Ministries and departments will be founded on the basis of the following former ministries:

The Ministry of Culture and Information of the Republic of Tajikistan, on the basis of the Ministry of Culture of the Republic of Tajikistan, the Ministry of Press and Information of Tajikistan and the State Television and Radio Committee of Tajikistan;

The Ministry of Economy and Foreign Economic Relations of the Republic of Tajikistan, on the basis of the Ministry of Economy and Forecasting of the Republic of Tajikistan and the Ministry of Foreign Economic Relations of the Republic of Tajikistan, excluding the Department for State Export and Import Contracts;

The Ministry of Transport and Roads of the Republic of Tajikistan, on the basis of the Ministry of Transport of the Republic of Tajikistan;

The State Industrial Committee of the Republic of Tajikistan, on the basis of the Ministry of Industry of the Republic of Tajikistan, the Industrial and Commercial State Concern for Light Industry of the Republic of Tajikistan, the Main Administration for supplying and selling raw material and for light industry output under the administration of the Council of Ministers of the Republic of Tajikistan, and the Industrial Commercial State Local Industry Concern of the Republic of Tajikistan;

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The State Committee for Contracts and Trade of the Republic of Tajikistan, on the basis of the Ministry of Trade and Material Resources of the Republic of Tajikistan and the State Department for Export and Import Contracts under the administration of the Ministry of Foreign Economic Relation of the Republic of Tajikistan. This committee will carry out coordination and supervision of the state joint-stock company (Somoniyon), the state Tajiknefteprodukt [Tajik oil products] company and the Tajikles [Tajik timber] state industrial-commercial company of the Republic of Tajikistan.

4. The following committees and departments are to be created on the basis of the following departments:

The Committee for Architecture and Construction under the government of the Republic of Tajikistan, on the basis of the existing State Committee for Construction and Architecture of the Republic of Tajikistan;

The Main State Tax Department under the government of Republic of Tajikistan on the basis of the existing Main State Tax Department;

The State Statistics Agency under the government of the Republic of Tajikistan, on the basis of the corresponding unit under the Ministry of Economy and Forecasting of the Republic of Tajikistan.

5. The following departments are to be newly founded:

The State Insurance Supervisory Office under the Council of Ministers of the Republic of Tajikistan, attaching it to the Ministry of Finance and creating within the ministry a state insurance supervisory office with the rights of a legal person in its structure;

A unified administration under the Council of Ministers of the Republic of Tajikistan to prepare the water area for the Rogun Power Station reservoir, attaching it to the Nurafzo state company for construction of power-industry sites;

A specialized building corporation under Tojikvodstroy [Tajik water construction] of the republic and a design and construction corporation under Tojikselkhozvodoprovodstroy [Tajik agricultural water-supply construction], attaching these to the Ministry of Land Improvement and Water Resources of the Republic of Tajikistan with the rights of legal persons.

6. The newly-created ministries and departments of the Republic of Tajikistan, as well as the ministries and departments whose structures have been altered by this decree, have two weeks in which to offer proposals on the structures, staffing numbers, wages, and funds of their central organizations, and to introduce relevant amendments to the existing normative documents.

7. Structural units of ministries and departments of the republic which have the rights of legal persons will not have the power to regulate their own relationships insofar as this does not go against the legislation of Tajikistan. [sentence as received]

8. The heads of the ministries and other central management bodies of the Republic of Tajikistan which are abolished or reorganized under decree No. 7 of the president of the Republic of Tajikistan of 3 December 1994 are to form abolition commissions headed by their top officials with a view to resolving problems relating to future use of the property of the state organizations which are abolished or reorganized state authorities, and to the employment of their employees under current civil and labor laws.

The abolition commissions have two weeks in which to inventory their property and define its estimated value. Archives and other documents are to be passed to the Main Archives Department under the administration of the government of the Republic of Tajikistan. The property, including liquidated buildings and sites, are to be transferred to the State Property Committee of the Republic of Tajikistan. Funds and currency holdings are to be transferred to the Ministry of Finance, and these sums are to be transferred to the special reserve fund of the government.

9. Heads of ministries and departments who have permitted the loss, damage or embezzlement of state property will be personally accountable under the legislation of the Republic of Tajikistan.

10. The chairmen of regions, towns and districts are to bring the structure of bodies which are under their subordination into line with the reorganized central bodies of the administration of the Republic of Tajikistan.

[Signed] President of the Republic of Tajikistan, Emomali Rakhmonov.

Biography of New Tajik Premier

LD0812221594 Khudzhand LENINABADSKAYA PRAVDA in Russian 7 Dec 94 p1

[FBIS Translated Text] Decree by the president of the republic of Tajikistan on appointing D.H. Karimov as prime minister of the Republic of Tajikistan:

Under Article 69 of the Constitution of the Republic of Tajikistan I decree:

1. Dzhamshed Hilolovich Karimov is appointed prime minister of the Republic of Tajikistan.

2. This decree is to be passed to the Supreme Assembly [Majlis-i Oli] for approval.

President of the Republic of Tajikistan, Emomali Rakhmonov, Dushanbe, 2 December 1994.

[The following biography is appended to the above decree]

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Dzhamshed Hilolovich Karimov was born on 4 August 1940 in Dushanbe. After graduating from the Moscow Institute of Light Industry in 1962 he did academic work at the State University and Academy of Sciences of the Republic of Tajikistan. In 1968 he was awarded the academic degree of candidate of economic sciences, and in 1976 he obtained a doctorate in economic sciences.

In 1983 he was appointed deputy chairman of the State Planning Committee of the Tajik Soviet Socialist Republic [SSR]. In 1988, he was made deputy chairman of the Council of Ministers and chairman of the State Planning Committee of the Republic of Tajikistan.

Between 1989 and 1991 he was engaged in party work. In 1991 he was appointed deputy chairman of the Cabinet of Ministers of the Tajik SSR. In 1992 he was appointed first deputy prime minister of the Republic of Tajikistan.

From 1992 to 1993 he was first deputy prime minister of the Republic of Tajikistan and plenipotentiary representative of the Republic of Tajikistan in Moscow. In 1993 he became head of the interregional trade mission of the Republic of Tajikistan in the Czech and Slovak republics. In 1994 he was made plenipotentiary representative of the Republic of Tajikistan in the commission on economic union under the CIS Coordinating and Consultative Committee, and state adviser on socioeconomic policy in the head of state's office.

Under a decree by the president of the Republic of Tajikistan of 2 December 1994, he was appointed prime minister of the Republic of Tajikistan.

D.H. Karimov is a doctor of economic science, a professor, and a corresponding member of the Academy of Sciences of the Republic of Tajikistan. He is married with two children.

Inter-Agency Council for Economic Reform Set Up

LD0812140294 Moscow ITAR-TASS in English 1348 GMT 8 Dec 94

[By ITAR-TASS special correspondents Galina Gridneva and Aleksandr Kharchenko]

[FBIS Transcribed Text] Dushanbe December 8 TASS—An Inter-Agency Council for Economic Reform, Entrepreneurship and Foreign Investment is being established in Tajikistan and is being vested with wide powers. A decision to this effect has been made in accordance with a decree issued by the republic's president Emomali Rakhmonov "on first-priority measures to deepen economic reforms and expedite transition to market relations". The decree was published in the press on Thursday [8 December].

Under the decree, an economic reform programme is to be submitted to the Tajikistan Government within a month for consideration.

As first-priority measures, witha view to developing the foreign currency market and increasing the use of foreign currency holdings, the National Bank together with Tajikvnesheconombank and the Ministry of Finance are directed to establish the necessary conditions for natural persons to be able to open foreign currency accounts and to organise currency exchange points.

The decree lifts all restrictions on the import and export of foreign currency holdings and money of CIS countries for both Tajikistan citizens and foreigners, with the exception of cases which run counter to national legislation.

Until recently the import and export of foreign currency is known to have been limited to 500 U.S. dollars and 100,000 Russian roubles.

Russian Border Patrol Fired Upon From Afghanistan

LD0912053294 Moscow ITAR-TASS in English 0521 GMT 9 Dec 94

[By ITAR-TASS correspondents Galina Gridneva and Aleksandr Kharchenko]

[FBIS Transcribed Text] Dushanbe December 9 TASS—A border patrol in the sector of the 10th border picket of the Pyandzh border-guarding detachment was fired upon on Thursday night from automatic weapons from Afghan territory, a spokesman in the press group of the Russian border troops in Tajikistan told ITAR-TASS on Friday [9 December].

The Russian border guards did not yield to the provocation and did not return the fire, the spokesman emphasised.

A high-ranking officer at the command headquarters of the Russian border troops has pointed out that hostile actions on the part of the armed Tajik opposition do not cease. This runs counter to the inter-Tajik ceasefire agreement, which was extended until February 6, next year, and to repeated assurances by the leaders of the Islamic Revival Movement of Tajikistan about their commitment to the accords reached in Tehran and Islamabad, the officer said.

Uzbekistan

Karimov Gives Constitution Day Speech

LD0812144294 Tashkent Uzbek Television Network in Uzbek 1653 GMT 7 Dec 94

[Speech by President Karimov at ceremonial meeting in Tashkent on the eve of Uzbek Constitution Day—live or recorded]

[FBIS Translated Excerpt] [passage omitted] The first question we raised at [the CSCE summit in Budapest] this open and large conference, the question I raised was: Hello mankind, hello leaders of big states sitting here,

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why are you speaking only about the problems of Europe? Why does no one speak about the problems in Central Asia? If you watch television programs and look through the press you will only see Bosnia-Herzegovina as if, apart from this, nothing else is taking place or exists in the world—no Afghanistan, no Tajikistan, there are no other countries in the world. Having met with the people, the leaders who are only concerned with Bosnia, I was forced to raise this matter.

The Uzbeks have a saying: At a funeral every woman weeps for her own sorrows. So I saw there were major European states and also the United States, which made a great contribution to this major and most authoritative conference. But I saw, as I watched from the sidelines, that all the countries participating in the conference were concerned first with their own problems. By participating in the conference we were also cooperating with and shouldering them, and there I was forced to raise the question of who will tackle our problems?

The second issue: If this Conference for Security and Cooperation intends to have influence on us too, then if we take into consideration the situation in Tajikistan, the instability in Afghanistan, and the malicious forces who are watching with envious eyes our progress along the path of independence which was established by the constitution, the question arises here: Is there a force to block the path of the evil forces into Uzbekistan, to support activities which guarantee peace in Uzbekistan? And should there be in this land a force to protect the lives of our children, our women, veterans, and old people, or not?

Having put this question forward, we spoke about the need to pay attention to our country. Winter is almost upon us and 5.5 million people live in Tajikistan, including 1.5 million Uzbeks; what fate awaits them, who will take care of them, who will give them, at least, humanitarian aid? I was forced to raise this question, because, as you see, all the help now is for Georgia, for Bosnia, for other states. There is a huge amount of aid, and if even a thousandth of it is channeled to us and to Tajikistan, I think it would help establish peace in our region.

On this occasion I want to share my views about the interethnic battles which are taking place in a number of places, the Caucasus and other places. Personally, I think, if you ask me about the grounds of such disagreements and discord in many places, the influence of yesterday's life might to some extent be the reason. However, the basic reason is the difficult economic situation which the people are currently in. And it should be taken into consideration. [passage omitted]

I want to say this: If each person, when he comes back home, is able to look his children, his wife, his mother squarely in the face, and if his family open-heartedly receives the bread-winner, the head of the family, if there is peace and calm at home, then he will be able to work very hard. Such values and traditions are characteristic of Central Asia and the whole East, not to mention Uzbekistan. If there is peace at home, the man is able, if necessary, to crush a mountain. If there is not peace and calm in his home and there is no accord between the people in the country then it will not be possible to work with such people, to direct them toward anything.

So that is why the third and most worrying issue for us is the war in Afghanistan and instability in Tajikistan. And I think that tackling this problem is one of the most important tasks of the European conference. [passage omitted]

There is another issue. Ukraine signed major agreements on eliminating its nuclear weapons, and the United States, Russia, and Britain gave guarantees to this state as well as to Kazakhstan—to Ukraine, Belarus, and Kazakhstan—on ensuring their peace, stability, and security. Given that Kazakhstan is our neighbor and is the most fraternal, closest country to us, this guarantee will also affect our country. And this, too, is a major political and historical event. [passage omitted]

British Tobacco Firm's Deal Outlined

LD0712183594 Tashkent NARODNOYE SLOVO in Russian 6 Dec 94 p1

[FBIS Translated Excerpt] Foreign investments will ensure modernization of the republic's tobacco industry. Britain's BAT Industries has bought a controlling share in Uzbekistan's tobacco industry. It is a major business partner. The company is the second largest tobacco company in the world and not only produces tobacco goods, but grows tobacco as well.

Goskomimushchestvo [state property committee] sold the British company 51 percent of the shares in the Uztabak Corporation, which was registered on 14 November 1994 and incorporated the Tashkent tobacco factory and the Samarkand and Urgut fermentation plants.

On 23 November the Uzbek-British joint venture Uzbat was set up as a closed joint-stock company. This event was a striking indicator of the fact that economic reform is boldly and resolutely gathering pace in the republic. And it is reaching a new and higher qualitative level in one of the most important areas, the privatization of state property.

The British company's arrival in Uzbekistan, or rather its powerful drive into our market, envisages the investment of over 200 million dollars in the republic's tobacco industry in the next five years, as stated in the terms of implementation of this grand project.

The event proved to have not only a strongly-pronounced economic side but also a cultural angle.

The head of the Uzbat joint-stock company, Neil Bruce-Miller, answers questions from a NARODNOYE SLOVO correspondent.

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[NARODNOYE SLOVO] General director, where exactly will such large investments be directed?

[Bruce-Miller] Our goal is to move toward world standards at once. The first disbursements will go toward updating the Tashkent tobacco factory and supplying modern equipment and advanced technologies. Output at this plant will increase from four billion to 10 billion cigarettes annually within two years. The quality, filter protection and appearance of the cigarettes will also improve accordingly.

The same will be done for the Samarkand and Urgut fermentation plants. The latter will become a model for the tobacco industry within three years and will guarantee the necessary supplies of high-grade tobacco. The investments will be used for increasing yield and improving the quality of Uzbek tobacco.

In order to guarantee deliveries of the tobacco types required to manufacture international-class cigarettes, BAT has begun a project to introduce new tobacco types (Virginia and burley) and simultaneously improve the cultivation techniques for the local Dyubek variety. This summer a large group of foreign experts from BAT worked with their Uzbek colleagues and tobacco growers in Samarkand region to successfully raise new tobacco varieties using modern technology on an experimental area of 13 hectares. Next year the experiment will be continued on larger areas.

Finally, a cigarette factory is to be built near Samarkand. It will be a plant fitted with the latest technology, a technological work of art in the true sense. The construction site has been selected, the preparatory phase has been completed, and it is planned to carry out a large volume of the work within three years.

[NARODNOYE SLOVO] Modern technologies require specialists with appropriate qualifications, a change in production culture, and therefore also very considerable investment in training professional staff. How do you conceive this process?

[Bruce-Miller] I want to direct your attention to the following point. Our British company works successfully in 50 countries and is one of the most multinational in composition. It has always attached great importance to the important task of training highly-qualified staff. In Uzbekistan, too, we will adhere to the principle that the most valuable resources are human ones. We will seek to find and train local nationals and give them the necessary world experience so that they can work at all levels of our company and hold all the management posts, including that of general director.

We are guaranteeing a growth in jobs. In the first three years we will have 1,500 workers and this number will increase to 2,000, bearing in mind that the new factory will come into operation. It will have an annual production capacity of up to 25 billion cigarettes.

In addition to investment in production, we will naturally invest the necessary funds to develop the social infrastructure. These expenditures are justified. That is how the foundations are laid for a civilized market.

One cannot speak about quick returns. The company is investing in the project over the very long term. Besides, according to the agreements with your government, the revenue will not be taken out of Uzbekistan for the first five years, in other words they will be used here in Uzbekistan.

[NARODNOYE SLOVO] Your choice of Uzbekistan was based on sober and thorough economic calculations. They took account of the existence of a certain production base here, which, it is true, is in need of serious reconstruction as well as of raw material sources.

What else was brought into the calculations when the project was born in May last year?

[Bruce-Miller] We were interested by all that you have just mentioned, and were very much attracted by the fact that Uzbekistan was confidently moving along a path of economic reforms. The government is strong and the political situation stable here. In the investment world there is increasing confidence that it is realistic to increase capital investment into Uzbekistan's economy. Uzbek legislation respects the principles of the free market, it allows one to look to the long term, and it facilitates the influx of foreign investment.

Since the project began being implemented we have met with attention and help from the president of Uzbekistan, who has supporting our proposals on investment. In a negotiating process which was very complex in legal terms the interests of Uzbekistan were actively defended by the leadership of the Cabinet of Ministers, the Ministry of Foreign Affairs, Uzpishcheprom [Uzbek food industry concern], the State Property Committee, the Ministry of Justice and the Ministry of Finance of the republic. I will stress that the negotiations were long, complex and fruitful. They were a sort of model or example for future international contacts of this kind in the privatization of, and investment, in state enterprises.

There is one important point—we do not envisage having a 100 percent stake in the venture. Under the contract your government will hold the so-called "golden share" for the next five years, giving it the right to veto certain actions by the venture, up to and including the discontinuation of its operation, if its actions go against government policy.

We expect to make a profit in five to seven years.

[NARODNOYE SLOVO] How will the profit be divided?

[Bruce-Miller] Just as it should be: in proportion to share ownership. [passage omitted]

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Armenia

Prime Minister in Moscow for CIS Summit

NC0812175894 Yerevan SNARK in English 1212 GMT 8 Dec 94

[FBIS Transcribed Text] Yerevan, December 8 (SNARK)—Today, Armenian Governmental delegation, headed by the Prime Minister Grant Bagratyan, arrived in Moscow. They will participate in the meeting of CIS government leaders, which will open on December 9.

Russian Role Praised in Nagorno-Karabakh

LD0812224594 Moscow ITAR-TASS World Service in Russian 1600 GMT 8 Dec 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Translated Text] Geneva, 8 Dec—"Russia plays a constructive and positive role in settling the conflict in Nagornyy Karabakh [Nagorno-Karabakh]. We hope that she will continue to play such a role," Armenian Foreign Minister Vagan Papazyan said at a news conference in Geneva today.

In answer to a question from the ITAR-TASS correspondent, he stressed: "The Russians have a real interest in seeing peace in the region. We are actively cooperating with the Russian party. Among other things, the ceasefire which we now have was basically achieved through the mediation of the Russian Federation. Let us not forget that." Welcoming the decisions taken on Nagorno Karabakh at the Budapest meeting of the CSCE, V. Papazyan made it clear that they in no way signified a reduction in the peace-making role of the Russian Federation in the region, since Russia was a member of the CSCE.

The minister confirmed that UN Secretary General Butrus Butrus-Ghali had invited the presidents of Azerbaijan and Armenia—Geydar Aliyev and Levon Ter-Petrosyan—to hold a meeting in Geneva. However, in his opinion, the "meeting (would) not produce serious results without the involvement of Nagorno Karabakh."

Yerevan Pleased With Results of CSCE Summit

LD0812222394 Moscow INTERFAX in English 1857 GMT 8 Dec 94

[FBIS Transcribed Text] At a briefing in Yerevan Thursday [8 December], acting press secretary of the Armenian president Levon Zurabyan declared that the results of the CSCE summit in Budapest December 5- 6 could be pronounced a success of the Armenian diplomacy. In his opinion, the resolution on Nagorno-Karabakh adopted on the results of the summit, which, in particular, provides for deployment of peacekeeping forces in the conflict zone, "is an important move forward towards the conflict's settlement."

Zurabyan pointed out that the "the principle stipulating that deployment of peacekeeping forces is the key guarantee for a truce in the conflict zone, which was proclaimed by the Armenian party long ago," had been adopted.

Zurabyan underlined that Armenia sticks to "the basic principle stating that Nagorno-Karabakh is one of the main parties in this conflict." In his words, Armenia "consistently stands for its participation in adopting political decisions on this problem."

Armenia has several reservations regarding this document, Zurabyan said, in particular related to the creation of a mechanism for possible use of force by the peacekeeping structures. Armenia believes that this decision cannot be adopted without considering the opinion of the Karabakh party, Zurabyan noted.

Azerbaijan

Nateq-Nuri Iranian Delegation Arrives

NC0812200494 Baku Radio Baku Network in Azeri 1700 GMT 8 Dec 94

[FBIS Translated Excerpt] An Iranian delegation headed by Majlis Speaker Nateq-Nuri arrived in Baku today. The visiting delegation was met at the airport by Chairman of the Azerbaijan National Assembly Rasul Guliyev and several members of the republic's parliament. [passage omitted]

Oil Cooperation on Talks Agenda

LD0812183494 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 8 Dec 94

[FBIS Translated Text] Mr. Nateq-Nuri, speaker of the Islamic Consultative Majles, arrived in the Azerbaijani capital Baku this afternoon at the head of a high-ranking delegation, and was welcomed by Mr. Rasul Guliyev, the Azerbaijani Parliamentary Speaker, .

[Correspondent in Baku] After arriving in Baku, the Majles speaker first reviewed a march past by the [Azerbaijani] forces at the airport. Then, visiting the Azerbaijani parliament, he met and conferred with that country's parliamentary speaker.

At the meeting, the Azerbaijani speaker welcomed the arrival of the Majles speaker in Azerbaijan and then said: We are certain that your visit as well as parliamentary cooperation will result in further expansion of ties between the two countries and we are pinning much hope on that.

Majles Speaker Nateq-Nuri made a statement in which he offered his congratulations on the independence of the Republic of Azerbaijan. He said: Fortunately, after the lifting of the 70-year-old barrier, today religious brethren have been able to find each other. Ancient cultural and religious backgrounds constitute the best

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path for the expansion of relations. Nateq—Nuri added: What was a cause of regret for us after the independence was the war which occurred in the region. In any case we condemn any aggression against your territory and believe that the occupation of lands belonging to a nation is not logically acceptable whatsoever. What our country wants is the safeguarding of the independence and the territorial integrity of countries and the sovereignty of the peace of nations—especially in this region. We hope that this problem for the Azerbaijani nation will be resolved.

The Majles speaker continued by noting: Unfortunately your country's problem is not the only one in the region. There are other problems as well that we are primarily concerned with, including Tajikistan and Afghanistan, where, fortunately, thanks to Iran's mediation, a cease-fire has been established. It is our wish that peace be established there.

[Tehran IRNA in English at 1734 GMT on 8 December, in a Baku-datelined report, adds the following: "The parliament speaker of Azerbaijan, Rasul Guliyev here Thursday expressed hope that the visit of Iranian Majlis Speaker Hojjat ol-Eslam 'Ali Akbar Nateq-Nuri to Baku would pave the way for promotion of mutual relations.

"Greeting Nateq-Nuri at Baku airport, Guliyev said that ways of promoting Tehran-Baku relations in parliamentary, economic and cultural fields would be explored during Nateq-Nuri's stay in Azerbaijan. Guliyev also denied news reports that Baku has disagreed to transfer parts of its share in an consortium of oil companies to the Islamic Republic of Iran. Iran's partnership in exploration of oil in the Caspian Sea is part of Tehran-Baku economic cooperation and thus it did not need to be studied at the the National Assembly of Azerbaijan.

"The Azeri parliament speaker said that oil cooperation between the two countries was on the agenda of his talks with his Iranian counterpart. The Baku-based daily "ZAMAN" quoted Guliyev last week as saying that Azerbaijan would not give any share to Iran for exploitation of oil resources of the Caspian Sea."]

Budapest CSCE Summit Said Successful

NC0812183294 Baku TURAN in English 1445 GMT 8 Dec 94

[FBIS Transcribed Text] Baku, December 8 (TURAN)—President Aliyev in his statement said that the results of Budapest conference CSCE open a new stage for strengthening of security system on the whole Eurasian space.

President Aliyev considers that the summit succeeded since all the countries expressed necessity of development of Europe, as a common unit, and inadmissibility of division of European continent into spheres of influence and blocs.

"The resolutions adopted on the summit are of great importance for the Caucasian region, and especially for Azerbaijan, which is for six years long in the condition of war", Azeri President says.

Azeri President said that since the foundation of the Minsk Group, Azerbaijan was always for its primacy in the conflict settlement and wished the CSCE, as the most effective tool of settlement, take the initiative in the conflict settlement.

"We succeeded in bringing the positions of the CSCE and Russia on the conflict settlement close to each other but we could not coordinate the efforts of the Minsk Group and Russia. The main task today is to coordinate peace-keeping efforts of the CSCE and Russia", President Aliyev said.

Azeri President also said that Azerbaijan does not wish Russia to keep away from the process, as some people think. "Russia is the member of the CSCE and it must take part in the conflict settlement and forming of the peace-keeping forces".

President Aliyev considers that the CSCE peace-keeping forces create real preconditions for settlement of the conflict between Armenia and Azerbaijan and adoption of Major Political Agreement.

"Many people thought that the CSCE was unable to create peace- keeping forces. But we believed that it is possible and over the past month the majority of the states shared the same opinion. At the same time several capitals hindered implementation of this idea. However, the necessity of forming of the peace-keeping multinational forces was clear enough and they could not oppose it. The recent talks between Russia and the U.S. carried the adoption of the resolution to life", President Aliyev said.

Azeri President warned that one must not think that this process was easy. "Our way was difficult. But if we did not retreat and achieved positive results now, we will be achieving results in the future too", President Aliyev said.

Aliyev's Edict on State of Emergency in Ganja

NC0812201194 Baku Radio Baku Network in Azeri 1700 GMT 8 Dec 94

["Text" of a decree issued by President Geydar Aliyev on 8 December 1994—read by announcer]

[FBIS Translated Text] Considering the need to maintain the measures taken to strengthen law and order in Ganja, the fact that the reasons for the declaration of a state of emergency in Ganja, which were outlined in the presidential decree dated 4 October 1994, have not yet been fully removed, Paragraph 16 of Article 124 of the Azerbaijan Constitution, and Article 8 of the republic's law on the declaration of a state of emergency, I have decided the following:

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1. The state of emergency in Ganja City is extended for 60 days, beginning 11 December 1994.

2. The Azerbaijan National Assembly is asked to approve this decree within 24 hours and inform the UN secretary general of the reasons for the extension of the state of emergency in Ganja City.

3. This decree goes into effect at 0000 on 11 December 1994.

[Signed] Geydar Aliyev, president of Azerbaijan.]

Fugitive Former Defense Minister Allegedly in Baku

NC0812185394 Baku TURAN in English 1445 GMT 8 Dec 94

[FBIS Transcribed Text] Baku, December 8 (TURAN)—"I am in Baku and since September 20 I have not leave anywhere", the former Defense Minister, Ragim Gaziyev, told today the editorial staff of "AZADLIG" newspaper by phone.

As was earlier reported, he was one of four prisoners, who September 20, 1994 had escaped from the isolator of the Ministry of National Security.

Ragim Gaziyev says that he is "not a criminal and enemy of the nation", as Azeri television and press call me. He also says that President Aliyev's and his entourage's attempts to show him as "Moscow's spy are absurd".

"Presently Russian special services and its armed forces prepare another large-scale provocation against Azerbaijan and I want to warn my nation about it", Ragim Gaziyev says. He also mentioned that in the near future he will present new details proving his guiltlessness.

Earlier one of the prisoners, the former commander of self-defense battalion, Arif Pashayev, state that he is ready to give himself to the authorities on the following demands: conduction of open trial, broadcasting of trial on TV, participations of representatives from press, political parties and international organizations in the trial. The Milli Mejlis accepted Arif Pashayev's terms and the latter gave himself to the authorities but the majority of his demands, which Azeri Parliament guaranteed him, have not been satisfied.

Izzet Ihsanov Appointed Deputy Prime Minister

NC0812200394 Baku Radio Baku Network in Azeri 1900 GMT 7 Dec 94

[FBIS Translated Text] According to a decree by President Geydar Aliyev, Izzet Ihsanov, who has been appointed deputy prime minister, will be responsible for the light industry, trade, and [word indistinct] services. He will also supervise matters related to the problem of refugees and the distribution of humanitarian aid in the Republic. Correspondents who follow the developments in the Council of Ministers say that Izzet Ihsanov has left for Rome, where he will hold talks on the question of humanitarian aid to Azerbaijan.

Parliament Alarmed by Worsening Social, Economic Situation

LD0812202994 Moscow INTERFAX in English 1702 GMT 8 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The parliamentary debate on the worsening social and economic situation launched Wednesday [7 December] will continue next Tuesday, December 13.

Members of parliament are alarmed by the sharp rise in the speed of inflation (exceeding 20 percent a month), the growth of the budget deficit as well as difficulties with the payment of wages and pensions.

The Economics Minister Samed Sadykhov named among long-term causes of the crisis the disruption of economic ties with CIS and Baltic sates, the deregulation of prices in the absence of private ownership or conditions for free competition. The minister believes that one of the latest causes aggravating the situation was the stoppage of traffic on the North Caucasian railway which paralyzed many companies fully or partly.

Sadykhov spoke for speeding up privatization and accepting the recommendations of the International Monetary Fund and the World Bank which according to him would allow Azerbaijan to attract already in 1995 $230 million in low-interest loans and increase the confidence of foreign investors in the country.

The minister also suggested restoring ties with CIS countries and liberalizing foreign trade.

The acting Chairman of the Board of the National Bank Elman Rustamov, the acting Labor Minister Ilgar Ragimov and the President of the State Bread Company Kamil Mamedov also spoke for speeding up reforms.

Georgia

Shevardnadze on Summit, Ministers, Abkhazia

LD0812191994 Moscow INTERFAX in English 1702 GMT 8 Dec 94

[Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Head of state Eduard Shevardnadze called results of the CSCE summit in Budapest "rather significant for Georgia."

Reporting to deputies about his trip, Shevardnadze specially stressed that the CSCE entirely supports the course of the Georgian leadership for a peace settlement

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of the conflict in Abkhazia. (Participants of the Budapest summit are known to create a special section of this organization on Georgia's affairs - Interfax).

However, many deputies of the parliament expressed their opinion that the documents adopted in Budapest would hardly work until the major issue, relations with Russia, is not solved. The parliamentary opposition demanded that Shevardnadze should finally determine whether Georgia would entirely be subordinate to Moscow's interests or it is necessary to search for reference points in Europe and America.

Shevardnadze called this opinion "a primitive one" because it has no realistic basis.

Representatives of the opposition again tried to raise the issue on resignation of the Cabinet of Ministers connecting it with the murder of leader of the National Democratic Party of Georgia Georgy Chanturia on December 3. However, this time Shevardnadze firmly declared that it is necessary to stop any demands on the government's resignation until all circumstances related to Chanturia's murder are cleared up. IF Note: During the previous sitting of Georgia's parliament Trade Minister Murtaz Zankaliani who spoke on behalf of the government declared that members of the cabinet do not hold on to their chairs, however, their dismissal can lead to further deepening of the crisis and "will not facilitate even a slight improvement of the situation as a whole." Zankaliani warned that it would take not less than three months to form a new cabinet of ministers, and "Georgia has no such limit of time at its disposal."

Shevardnadze also reported to the deputies that he had received an official statement of Azerbaijani President Geydar Aliyev in which, as he said, Azerbaijan unilaterally condemns decision of the Abkhazian parliament to proclaim Abkhazia an independent state. Such statements, Shevardnadze underlined, were voiced by the U.S. State Department as well.

Meanwhile, Abkhazian President Vladislav Ardzinba came to the Russian capital on Wednesday [7 December] evening. According to Interfax, on Thursday he is expected to meet with representatives of the leadership of Russia's Foreign Ministry. The Abkhazian mission to Moscow believes that the negotiations probably would be focused on discussing new aspects in Georgian-Abkhazian relations due to the recent adoption of Constitution in Abkhazia which has proclaimed its sovereignty.

Interfax has no information who of the Foreign Ministry's officials would negotiate with Ardzinba.

Earlier Moscow declared that Abkhazia's unilateral decision to proclaim the republic's sovereignty violated the principle of Georgia's territorial integrity.

After his visit to Moscow Ardzinba is expected to go to Geneva to attend a new round of negotiations on settling the Georgian-Abkhazian conflict scheduled for December 12.

Prime Minister Departs for CIS Leaders' Meeting

LD0812184694 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 8 Dec 94

[FBIS Translated Text] The press center of the Georgian Cabinet of Ministers reports that Georgian Prime Minister Otar Patsatsia has left for Moscow to participate in the regular meeting of the Council of the CIS Government Leaders to be held there on 9 December.

Anti-Russian Sentiments May Delay Chernomyrdin's Visit

LD0812224894 Tbilisi SAKINFORM in Russian 0951 GMT 8 Dec 94

[FBIS Translated Text] The visit of Russian Premier Viktor Chernomyrdin to Georgia scheduled for 12 December will probably again be put off. The local observers link this forecast with the fact that the assassination of the leader of the Georgian national-democratic party, Giorgi Chanturia, has intensified anti-Russian sentiments in Georgia.

CSCE Document Acknowledges Abkhazia 'Ethnic Cleansing'

LD0812222794 Tbilisi SAKINFORM in Russian 0951 GMT 8 Dec 94

[FBIS Translated Text] Having returned from the Budapest summit of the CSCE, Georgian leader Eduard Shevardnadze said that he regarded the document on Georgia adopted at the summit as a big gain.

Deputy Foreign Minister Gia Burduli said that the document, which was supported by the leaders of 52 countries, was the first-ever official acknowledgement of the fact of ethnic cleansing in Abkhazia.

Only Russians, Georgians at Meeting on Abkhazia

LD0812210394 Tbilisi SAKINFORM in Russian 1450 GMT 8 Dec 94

[FBIS Translated Text] The regular quadripartite meeting on the settlement of the Abkhaz-Georgian conflict held in Zugdidi on 7 December turned, in fact, bilateral because only the representatives of the Russian

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peacekeeping forces and the Georgian party participated in it. The meeting discussed issues related to the current situation in the Abkhaz-Georgian conflict zone, operation of the Inguri power station during the winter season and prospects of restoring the railway in Abkhazia.

Abkhazia Forbidden To Abkhazians Who Did Not Fight

LD0812220994 Tbilisi SAKINFORM in Russian 1450 GMT 8 Dec 94

[FBIS Translated Text] According to reports received from Sukhumi, Vladislav Ardzinba, the leader of the present Abkhaz administration, has issued an instruction forbidding officials to grant permission to return to Abkhazia to those ethnic Abkhaz refugees who did not participate in combat activities against the Georgian Armed Forces. It should be indicated that over 25 percent of the ethnic Abkhaz population are outside Abkhazia at the moment.

Georgian Foreign Debt Amounts to $1 Billion

LD0812135894 Moscow ITAR-TASS in English 1223 GMT 8 Dec 94

[By ITAR-TASS correspondent Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi December 8 TASS—The Georgian foreign debt amounted to nearly one billion US dollars, TASS was told at the Republican Finance Ministry on Thursday [8 December].

The biggest part of the debt goes for natural gas shipments from Turkmenistan.

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Estonia

Military Barter Deal With Israel Possible

LD0812142394 Tallinn Radio Tallinn Network in Estonian 1300 GMT 8 Dec 94

[FBIS Translated Text] The Estonian Defense Ministry is hoping to obtain modern communications equipment in exchange for old 23-mm air defense mortars from the Israeli TAAS firm. Tarmo Molder, the Defense Ministry's chancellor visited Israel from 3-7 December and held talks there with representatives of the firm. Once the Estonian Defense Ministry and representatives of TAAS reach an agreement about the price of the equipment and the mortars, the mortars will be exchanged for other military equipment. There is a particular interest in communications equipment for the defense forces, to be integrated also into the police and border guards communications system, Baltic News Service reports.

Switzerland To Provide 10 Million Francs in Aid

LD0812185294 Tallinn Estonian Television Network in Estonian 1600 GMT 8 Dec 94

[FBIS Translated Excerpt] Sven Meili, the Swiss ambassador to Estonia, and Estonian Finance Minister Andres Lipstok today signed a document for continued financial assistance between the two countries' governments. With this extended agreement, Switzerland will set aside 10 million Swiss francs, which is 100 million Estonian kroons, as nonreturnable aid to Estonia. The first agreement on financial assistance was concluded two years ago and the 10 million francs set aside at the time have been used to fund four projects. [passage omitted]

[Correspondent] According to Sven Meili, the Swiss ambassador to Estonia, the aim of extending the agreement is to provide continued support to Estonia in her transformation into the market economy. The ambassador noted that the money is not being given for any specific purpose, with the choice of projects using the money left up to the Estonian Government to decide. [passage omitted]

President Says NATO, EU Eastward Expansion May Be Lost

WS0912095394 Tallinn BNS in English 1804 GMT 8 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 08, BNS—Estonian President Lennart Meri, in a lecture he delivered on Thursday [8 December] at the Institute for International Relations in Prague, called on western states to hasten the admission of the Baltic states and East European countries into the North Atlantic Treaty Organization and the European Union [EU]. The opportunity to expand European stability eastward may otherwise be lost, he declared.

Meri said Estonia's goal was eventual membership in NATO and EU and that he was glad a NATO foreign ministers conference at the beginning of this month had agreed to take practical steps to bring East European states closer to the military alliance.

NATO missions will next year visit states that have joined the Partnership for Peace program to decide what each country should do to become eligible for membership, he said. The organization has also set up a panel of experts to study the mechanics of the alliance's enlargement.

In Meri's words, Russia's refusal to sign a Partnership for Peace work program earlier this month was regrettable.

"NATO has expanded before and will be enlarged in future," Meri was confident regardless of Russia's fierce opposition.

In the Estonian president's opinion, his country will gain full membership in EU early in the next century. Apart from economic advantages, this will enhance Estonia's stability.

Meri paid great attention to the timetable of expansion of both NATO and EU. "It's a moving target," he said. "In Russia, parliamentary and presidential elections are coming up, extremist groups are active, and economy is still in a free-fall phase. The time at our disposal to join NATO and EU may run out," he said.

Free Trade Agreement With EU Ratified

WS0812094194 Tallinn ETA in English 1712 GMT 7 Dec 94

[FBIS Transcribed Text] Estonian Riigikogu [parliament] ratified, on Wednesday [7 December], with 42 for votes, agreement on free trade and foreign trade concluded between the Republic of Estonia on the one hand and the European Union [EU], European Atomic Energy Community and European Coal and Steel Community on the other hand.

The free trade agreements between the EU and the Baltic states were signed on July 18, 1994 in Brussels by German Foreign Minister Klaus Kinkel, EU Trade Commissioner Leon Brittan, Estonian Foreign Minister Juri Luik, Latvian Prime Minister Valdis Birkavs and Lithuanian Foreign Minister Povilas Gylys.

The documents that step in force on January 1, 1995, oblige the Baltic states and the EU to drop all limitations as to import and export of industrial goods, also import and customs duties and quotas. Different from Latvia and Lithuania, the free trade regime between Estonia and the EU will be enforced already next year. Estonian Foreign Minister Juri Luik has considered also the agriculture part of the agreement which does not set any limits as to the amount of trade but enforces quotas on some groups of goods, favourable to Estonia.

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Pact on Joint Baltic Peacekeeping Unit Ratified

WS0912074794 Tallinn BNS in English 1017 GMT 8 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 08, BNS—The Estonian legislature yesterday ratified with 32 votes for and none against the agreement on the formation of a joint Baltic peacekeeping unit, BaltBat, that Estonia, Latvia, and Lithuania signed in September in Riga.

Ratification gives BaltBat the mandate to join UN or Conference on Security and Cooperation in Europe peacekeeping operations and authorizes its cooperation in the sphere of peacekeeping with the North Atlantic Treaty Organization and the Western European Union.

The agreement stipulates that BaltBat will be set up in compliance with internationally recognized principles governing military matters and peacekeeping.

Latvia

Ulmanis on Kozyrev Spurning Meeting, Yeltsin CSCE Speech

LD0812195894 Riga Radio Riga Network in Latvian 1800 GMT 8 Dec 94

[FBIS Translated Text] Russian Foreign Minister Andrey Kozyrev's evasion of a meeting with Latvian Foreign Minister Valdis Birkavs in Budapest is to be considered as a display of Russia's disrespect for Latvia, State President Guntis Ulmanis stated at a press conference after his return from the CSCE conference in Budapest. Ulmanis voiced an opinion that the Russian Ministry of Foreign Affairs would have to give explanation about what has happened and proposals concerning the time of a possible meeting would have to be considered in the immediate future.

Ulmanis assessed Russian President Boris Yeltsin's speech as categorical and tendentious. However, he admitted that when shaping its foreign policy Latvia had to take account of Yeltsin's statements about active Russian policy in the event that eastern European states are admitted to NATO, and had to shape its policy without coming to a conflict with the big neighbor.

It is essential that when speaking of violations of human rights in the Baltics, Yeltsin was able to mention discrimination against the Orthodox Church in Estonia as the only example [words indistinct]. We call to mind that Estonian President Lennart Meri, addressing the CSCE in Budapest, voiced an opinion that the Russian president was using the issue of human rights with the aim of propaganda and said that Yeltsin's statement about discrimination against the Orthodox Church in Estonia was wrong and based on the lack of knowledge of facts.

Foreign Minister, President on CSCE Final Document

WS0912074494 Tallinn BNS in English 1017 GMT 8 Dec 94

[FBIS Transcribed Text] Riga, Dec 08, BNS—In the meeting of the Council of Security and Cooperation in Europe (CSCE) member states' leaders, Latvia with its stand toward the declaration on the Baltic states has achieved the desired results, Foreign Minister Valdis Birkavs told BNS after returning from his visits to Budapest and Czekia.

Birkavs noted that Latvia's achievement was that the declaration on the Baltic states was adopted as a separate document, not included in the package of documents, which reflect problems of Nagorno-Karabakh, Georgia, Moldova and other "hot spots."

Birkavs said that this is a very essential Latvia's achievement, because the Baltic states' problems differ from the ones in the above mentioned states and places.

Birkavs noted that Danish, Finnish and American delegations supported the Baltic states.

Latvian President Guntis Ulmanis told BNS that he evaluates the declaration as very contradictory. Ulmanis noted that he has not yet acquainted himself with the complete contents of the document, because it was not fully drafted at the beginning of the CSCE meeting.

As reported, in the meeting of the CSCE member states' leaders in Budapest, a declaration on the Baltic states was adopted.

In the declaration CSCE member states declared their readiness to make the best possible use of the CSCE in order to consolidate and enhance security, stability, respect for human rights and continued democratic evolution in all participating states of the Baltic region.

The CSCE member states also welcomed the withdrawal of foreign troops from the Baltic states and they acknowledged this as an event of historic significance and as an important factor in stabilizing the security environment in the Baltic region.

Lithuania

Accord on Military Transit With Russia Favored

LD0812175494 Moscow ITAR-TASS in English 1552 GMT 8 Dec 94

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Transcribed Text] Vilnius December 8 TASS—"It is necessary to sign an agreement with Russia on military transit, as a solution to this problem would not only ease certain tensions between the two countries, but also regulate the traffic of particularly dangerous and military Russian cargoes across the republic", Lithuanian Prime Minister Adolfas Slezevicius told a news conference here on Thursday [8 December].

"We expect to receive at the weekend Moscow's response to the agreements reached at last Saturday's meeting in Kaliningrad between Lithuanian experts and the regional administration, which aimed to settle the issues of the life-support system for the Kaliningrad

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region. Mutually acceptable decisions were made on many items", the prime minister said. He added that military Russian transit via Lithiania to the Kaliningrad region and from it had also been discussed at the meeting, and "good compromises were reached".

Slezevicius stressed that "foreign experts strongly recommend that Lithuania sign the accord on military transit with Russia. This document specifies the rights and obligations of both sides in case of, say, accidents or other incidents".

The premier recalled that the regulation on the traffic of hazardous and military cargoes across the republic, which was approved by the Lithuanian Government, applies not only to Russia, but also to other foreign countries engaged in similar transit. The regulatgion is to come into force from January 1, 1995.

"Since we have a special situation with Russia because of the Kaliningrad enclave, which is part of Russian territory, we regard the accord on military transit with Russia as a necessity prompted by life realities", the Lithuanian prime minister emphasised.

Brazauskas Holds Press Conference on CSCE Meeting

LD0912121994

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0800 GMT on 9 December begins a live relay of a press conference by President Algirdas Brazauskas in Vilnius.

The press conference is opened by the presidential press representative, Nerijus Maliukevicius.

President Brazauskas begins by briefly describing his audience with Pope John Paul II, his meetings with the Italian president and other officials, and mentions agreements signed by Foreign Minister Povilas Gylys in Rome.

Describing his participation in the CSCE meeting in Budapest, Brazauskas notes that there have been different comments on this meeting in the world media about disagreements by the state leaders, but he can not agree with this. "If Clinton spoke in Budapest about the NATO expansion to the East and Yeltsin disagreed, this does not mean a conflict." The Lithuanian policy after the statement by Russia on the NATO expansion "will not be corrected. Lithuania will strive for NATO membership."

Brazauskas continues. "I would like to mention especially the discussion on Bosnia-Herzegovina and on the tragedy that is taking place in Yugoslavia now. Unfortunately, this noble conference failed to adopt any decision. I am beginning to think that this principle of consensus is hardly suitable in all cases. It is hardly possible to reach a consensus when one side is supporting Bosnia and the other side supports the Serbs. I had an opportunity to talk to journalists and had interviews, I was asking the same question: has the time not come for authoritative international organizations to elucidate where these weapons are coming from? The most expensive and complex systems, rockets, surface-to-air missiles, surface-to-surface missiles and all others. Where do they come from? I think that if international organizations pay more attention to this issue, expose these sources and bar the importation of these kinds of weapons, these conflicts would not be so cruel and terrible to people, to these nations and states. Nobody said anything about this, nobody speaks about it. On the contrary, some people proposed to cease the embargo on the supply of weapons. I am not going to mention any names. I was disappointed and I have expressed my disappointment in Budapest. I think that the results of such summits could be better."

Brazauskas continues: "As the present prolonged negotiations on military transit are taking place, we applied to this organization, asking for their expert evaluation of our rules and our policy as a whole, and we received a reply [pauses] if it is necessary, and I think this should be discussed, a permanent commission of observers or some other service of this organization would observe this transit."

Brazauskas describes his meetings at the conference with the Austrian chancellor, the Hungarian president, the Finnish president, the Swedish premier, the Belarus president, the Russian president and others. Brazauskas says that his meetings in Prague are a turning point in relations with the Visegrad countries. "A program that we discussed on the signing of bilateral agreements by the Visegrad states with Lithuania on free trade, which is supported by President Havel, is a very important and constructive proposal, and our foreign service and diplomats should deal with this seriously."

Turning to domestic policy, Brazauskas expresses his disappointment at the work of the Lithuanian procuracy stating: "I am very disappointed that the procuracy which, in accordance with the law cannot be a politicized organization, is engaged in politics and this prevents it from completing many political cases. I am certain the steps taken by me were correct. This organization cannot be politicized. It must cope with justice, it has to discharge its functions provided by the Constitution and our laws, especially now when the legal reform is taking place in Lithuania."

Brazauskas answers questions by journalists. Journalist Radzeviciute asks: "Could you tell why the three Baltic presidents visited Vaclav Havel separately, does it not somewhat harm close cooperation between the Baltic states and the Visegrad group?"

Brazauskas replies: "You mean a visit by Estonian President Meri next day? I can not explain why this did happen. I spoke to both Meri and Ulmanis in Budapest. Meri explained that he had some other important business in Budapest and therefore could not visit President Havel with us."

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Journalist Kazys Ustila asks: "You mentioned your meeting with Russian President Yeltsin. But there is no detailed information about the content of this meeting."

Brazauskas replies: "There was no official meeting with President Yeltsin. I met him only in the lobby of the conference. We agreed that the negotiations should continue and be completed. Yeltsin agreed and we agreed that if they are interrupted and if there is no movement, in that case, I said, I would phone him. Good, he said, I am always ready and we will agree what to do. You are saying that the negotiations are not being continued. I would not agree with you. A meeting of experts has taken place. They have been interrupted for two weeks or longer, but Prime Minister Slezevicius had a talk with Russian Prime Minister Chernomyrdin yesterday. A talk with the leadership of the Foreign Ministry will take place today. A meeting of experts or on some other level will be resumed. As you know, last week there was a meeting of our group led by Minister Klimasauskas in Nesterov in the Kaliningrad region. Technical issues were discussed on the methods of transport, of nonferrous metals, on the escort of cargoes through the territory of Lithuania, the issue of guarantees, etc. I think that the negotiations are continuing. We are adhering to the same principle that our rules on transit apply to all."

Replying to the question by a BNS correspondent, Brazauskas says that he has spoken to Egidijus Bickauskas, deputy chairman of the Lithuanian Seimas, on his possible appointment to the post of the procurator general. Their talks have not been concluded. Brazauskas and the live relay conclude at 0850 GMT. No further processing.

Final Version of Draft State Budget Presented

LD0812181494 Vilnius Radio Vilnius Network in Lithuanian 1500 GMT 8 Dec 94

[FBIS Translated Text] According to the final amended version of the draft state budget which was presented to the Seimas today, next year's state budget revenue has been once again increased and is at present 5.2 billion litas.

This was reported today at the press conference by the Head of the Lithuanian Government Adolfas Slezevicius. Mr. Slezevicius maintained that the increase of the next year's budget revenue was enabled by the significant increase of budget revenue during the last months. According to Mr Slezevicius about 427 million litas were paid into the budget in November. The Prime Minister believes that the revenue increased as a result of stricter regulations on the import and sales of oil products and alcohol.

Mr. Slezevicius also told the press conference that the greater part of the additional funds would be used for increasing wages and most probably, according to the Prime Minister, this will be done by 1 January.

The Prime Minister also said that in order to implement next year's budget successfully, the monthly revenue will have to comprise on average 433 million litas. Mr. Slezevicius believes that this is not an easy but realistic task.

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